1044b UIC - EAST POPLAR OIL FIELD **ENFORCEMENT CASE SDWA 1431** Folder ID: 13633 2000 Privileged

Release in R11 Region 8

Region 8 13633

# UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

☐ APPLICATION FOR ENFORCEMENT

PETITION FOR REVIEW

#### PRE-ARGUMENT STATEMENT

SEE NOTICE ON REVERSE. PLEASE TYPE OR PRINT. ATTACH ADDITIONAL PAGES IF NECESSARY.

NAME OF AGENCY: U.S. Environmental Protection Agency	AGENCY DOCKET NO.: SDWA-8-99-68
TITLE IN FULL: W.R. Grace & Co. v. U.S. Environmental Protection Age	ncy
ORDER NUMBER: EPA Docket No. SDWA-8-99-68  APPROXIMATE NO. OF PAGES IN RECORD: 3,300  JURISDICTION OF COURT OF APPEALS: Safe Drinking Water Act	Nov. 5, 1999 No. of exhibits: USCA 42 USC \$3001-7
HAS THIS MATTER BEEN BEFORE THIS COURT PREVIOUSLY? TO YOU IF YELLOW CASE NAME: CITATION:	
ATTORNEY(S) FOR PETITIONER(S): Christopher Marraro and David Wallace King Marraro & Branson 1050 Thomas Jefferson Street	NAME
ADORESS  ATTORNEYS FOR RESPONDENT(S): James Eppers - U.S. EPA  Office of Regional Counsel 999 18th Street, Ste. 500, Der	NAME (303) 312-6893
Christopher Vaden, Environment US Dept. of Justice, PO Box 2.  APPEAL TAKEN: EXAS OF RIGHT BY DISCRETION (SPECIFY STATUTES UNDER	
PETITIONER/APPLICANT IS AGENCYXX OTHER PARTY ON NON-PARTY. SPECIFY	STANDING:
FACTS UPON WHICH VENUE IS BASED: Attachment A	
NATURE OF ORDER ON WHICH REVIEW OR ENFORCEMENT IS SOUGHT:	
☐ ADMINISTRATIVE REGULATION/RULEMAKING ☐ BENEFITS REVIEW ☐ ROUTES: ☐ HEALTH & SAFETY	UNFAIR LABOR PRACTICE:  Y EMPLOYER
COMMUNICATIONS IMMIGRATION COMMERCE TARIFFS XXOTHER: (SPECIFY) EPA Order issued to W.R. Grace & Co.	UNION Under the Safe Drinking Water
Act, 42 U.S.C. \$300i  CONCISÉ DESCRIPTION OF PROCEEDINGS BELOW AND ORDER TO BE REVIEWED OR E FROM WHICH RELIEF IS SOUGHT):  Attachment B	· ·
ISSUES PROPOSED TO BE RAISE ON PETITION OR APPLICATION: RELIEF SOUGHT: Attachment C	
TO YOUR KNOWLEDGE, IS THERE ANY CASE NOW PENDING OR ABOUT TO BE BROUGH OR ADMINISTRATIVE AGENCY WHICH:	HT BEFORE THIS COURT OR ANY OTHER COURT
(A) ARISES FROM SUBSTANTIALLY THE SAME CASE OR CONTROVERSY AS TH	HIS APPEALZ XXX YES I NO
COURT OR AGENCY: 05 COULT OF Appears CITATION:	O AN ISSUE IN THIS APPEAL? YES ONO  IIS Environmental Protection Agency NUMBER:
for the Third Circuit	·
FOR PETITIONER OR APPLICANT:	
W.R. Grace & Co. Christopher H. Marraro  (PRINT) NAME OF PETITIONER NAME OF COUNSEL OF RECORD 7)	(202) 204-3720 TELEPHONE
Manay 31,2000	uddu AMaria
DATE 136	SUNATURE OF COUNSEL OF RECORD

6/97

## Attachment A

On November 5, 1999, the U.S. Environmental Protection Agency ("EPA") issued an Order to W.R. Grace & Co.-Conn. ("Grace") under Section 1431 of the Public Health Service Act, as amended by the Safe Drinking Water Act ("SDWA"), 42 U.S.C. § 300i. Grace, a Connecticut corporation, resides in this judicial circuit and is directly affected by EPA's Order. Venue is proper pursuant to the "Judicial Review" provisions of the SDWA, 42. U.S.C. § 300-j-7.

## Attachment B

On November 5, 1999, EPA issued a unilateral order to Grace and others pursuant to the "Emergency Powers" section of the SDWA, 42 U.S.C. § 300i. The Order requires Grace and others to prepare and submit burdensome information regarding Grace's prior operations, geologic and hydrogeologic field information and to provide an alternative drinking water source to numerous households. Grace challenges paragraphs VI A.-E. of the Order.

## Attachment C

Grace expects to raise the following issues, among others, on appeal:

- 1. Did the U.S. EPA err in determining that the investigation and fact finding requirements of the Order were necessary to abate an alleged imminent and substantial endangerment to health?
- 2. Did the U.S. EPA err in ordering Grace to provide an alternative water supply in the absence of any record evidence that Grace caused or contributed to the alleged endangerment?
- 3. Does the U.S. EPA's actions in issuing the Order to Grace constitute arbitrary and capricious action?

## GUIDELINES FOR CONDUCT OF PRE-ARGUMENT CONPERENCE UNDER THE CIVIL APPEALS HANAGEMENT PLAN

The conference is held by Staff Counsel with attorneys for the parties under Rule 5 of the Civil Appeals Management Plan, Rules of the Second Circuit Court of Appeals, Appendix, Part C.

## 1. Purposes

The purposes are to consider the possibility of settlement, simplification of the issues, and any other matters which may aid in the processing and disposition of the appeal. Experience shows that preliminary review of the issues by the parties with Staff Counsel often leads to a realistic and less partisan view of the chances of success, resulting in settlement or withdrawal of some appeals or particular issues.

With a view to enabling the parties to resolve issues, Staff Counsel, after hearing counsel, is ordinarily expected to give them the benefit of his views of the merits or other aspects of the appeal.

## 2. Authority

The success of the conference depends on the attorneys treating it as a serious and non-perfunctory procedure which can often save time and expense for the parties. All sides should be thoroughly prepared to discuss in depth the alleged errors and the reasons for their positions. Attorneys should obtain advance authority from their clients to make such commitments as may reasonably be anticipated.

#### 3. Good Paith and Non-Coerciveness

The parties are obligated to participate in good faith with a view to resolving differences as to the merits and the issues. this process requires each attorney, no matter how strong his or her views, to exercise a degree of objectivity, patience and cooperation that will permit him or her to make a decision based on reason. In this process the staff counsel, who provides objective expertise in a forum for appraisal of the merits and expedition of each appeal, is entitled to their respect and his or her views should be carefully considered. Those views, however, are the Staff Counsel's own and not those of the Court, with which he or she does not communicate about a case. If, after this procedure, attorneys believe in good conscience that they cannot reach an agreement, they are not under any compulsion to do so.

#### 4. Confidentiality

All matters discussed at a conference, including the views of

Staff Counsel as to the merits, are confidential and not communicated to any member of the court. Likewise parties are prohibited from advising members of the court or any unauthorized third parties of discussions or action taken at the conference. <u>In re Lake Utopia Paper Limited</u>, 608 F.2d 928 (2d Cir. 1979). Thus the court never knows what transpired at the conference.

## 5. Presence of Clients

Ordinarily attorneys are expected to attend the conference without their clients. However, with the permission of Staff Counsel, clients may attend with their attorneys. In the limited number of cases where Staff Counsel reasonably believes that the presence of a client might be helpful he may request — or in exceptional circumstances, require — an attorney to have his client attend that conference with him. Staff Counsel does not talk with clients outside of the presence of their attorneys.

## 6. Conferences by Telephone or at Distant Locations

Where considerable distances or other substantial reasons warrant, Staff Counsel may in appropriate cases conduct arranged telephonic conferences. Where a sufficient number of cases can be accumulated and judicial efficiency and economy permit, Staff Counsel may also hold conferences within the Circuit, at locations other than Foley Square, New York City.

These provisions are designed to accommodate parties whose attorneys would otherwise be seriously inconvenienced by being forced to travel long distances or for other reasons.

## 7. Scheduling Orders

In the interest of obtaining prompt resolution of appeals, most scheduling orders in the Second Circuit are somewhat tighter than the schedules provided for in the Federal Rules of Appellate Procedure. See FRAP 31(a).

#### 8. Grievances

Any grievances as to the handling of any case under the CAMP program should be addressed to the Circuit Executive, Karen Milton, Room 2904, who will hold them confidential on behalf of the Circuit Court of Appeals unless release is authorized by the complainant.

# RULES OF THE UNITED STATES COURT OF APPEALS FOR THE 2ND CIRCUIT supplementing

## Federal Rules of Appellate Procedure

#### INSTRUCTIONS

Form of Motion and Supporting Papers for Motions and Opposition Statements

- (1) The moving party should submit the Motion Information Form in the format approved by the Court with such changes as the Chief Judge may from time to time direct.
- (2) Supporting Papers for Motions and Opposition Statements:
  - (a) All motions should be accompanied by an affidavit containing factual information only.
  - (b) Motions may not exceed 20 typewritten double-spaced 8-1/2 x 11 pages except by permission of the court.
  - (c) Copy of lower court or agency decision must be included as a separately identified exhibit by a moving party seeking substantive relief.
  - (d) Exhibits attached should be only those necessary for the determination of the motion.
- (3) Number of copies: FOUR copies shall be filed with the original.
- Non-compliance Sanctions: If the moving party has not complied with this rule, the motion may be dismissed by the Clerk without prejudice to renew upon proper papers. If application is promptly made, the action of the Clerk may be reviewed by a single Judge. If the responding party fails to comply with this rule, the court may refuse to hear that party at oral argument. The court may impose costs and an appropriate fine against either party for failure to comply with this rule.

#### MOTION INFORMATION FORM

## INITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

W.R. Grace & Co.- Conn.

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U.S. Environmental Protection Agency

**DOCKET NO.** 99-4223

Attorney(s) for Petitioner
Office & Post Office Address & Telephone Number

Christopher H. Marraro
Wallace King Marraro & Branson, PLLC
1050 Thomas Jefferson Street, NW
5th Floor
Washington, DC: 20007

(202) 204-1000

Vom Lund, representing Grace 12-9-99
ASSIGNMENT AND BILL OF SALE

STATE OF MONTANA )
COUNTY OF ROOSEVELT )

KNOW ALL MEN BY THESE PRESENTS:

That GRACE PETROLEUM CORPORATION, whose address is 6501 North Broadway, Oklahoma City, Gklahoma 73116, hereinafter referred to as "Assigner", for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants herein contained, does hereby grant unto MURPHY OIL USA, INC., 700 Peach St., El Dorado, Arkansas 71730, its successors and assigns, hereinafter called "Assignee", with only the limited warranty of title hereinafter provided and subject to all the matters hereinafter set forth, all of Assigner's right, title and interest in and to the oil and gas leases described on the attached Exhibit "A", made a part hereof, along with all orders, contracts, benefits and burdens of whatsoever kind or character to which the leases may be subject, regardless of whether the same are recorded, and which will be assumed by Assignee from and after the Effective Date.

Assignor also hereby grants unto Assignee, Assignee's successors and assigns, all of Assignor's right, title and interest in and to the wells listed on the attached Exhibit "B", made a part hereof, together with Assignor's right, title and interest in and to all material and equipment in and on said wells, and that material and equipment used in conjunction with such wells, which is described on Exhibit "B". Assignor's interest in such material and equipment are accepted by Assignee without warranty of title express or implied (except that Assignor represents that it has the right to sell its interest in such wells, materials and equipment and that Assignor's interest therein is free of light) and without warranty of MERCHANTABILITY O CONDITION OR FITNEES FOR A PARTICULAR PURPOSE. Assigned has inspected such material and equipment and accepts same on an AS IS, WHERE IS BASIS.

Certain working or expense interests, and revenue interests, (net shar of production after deducting burdens or production) in each well and lease

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or spacing unit for each well and attributable to Assignor are shown on Exhibit "B". Assignor believes but does not represent or warrant that the interests shown are correct and that it bears operating expenses and receives revenues on that basis. Assignor further believes but does not represent or warrant that there are no agreements, whether of record or not, that may increase such working interests or decrease such revenue interests in the wells listed.

There is also attached as Exhibit "C" and made a part hereof a list of agreements to which each lease herein assigned is subject. Assignor believes but does not represent or warrant that to the best of its knowledge, such list is correct and complete.

THIS Assignment and Bill of Sale is made subject to the covenants, exceptions, reservations and conditions bereinafter set forth:

- This Assignment and Bill of Sale is made by Assignor and accepted by Assignee without representation of or varranty of title either express or implied, except that Assignor warrants title against persons claiming by, through or under it, but not otherwise.
- 2. Assignee by these presents assumes and agrees fully to perform all of the express and implied covenants and conditions under the terms of the leases described in Exhibit "A" hereof, together with all orders, contracts and burdens of whatsoever kind to which said leases may be subject, from and after the Effective Date hereof.
- 3. Assignor shall remain responsible for any losses, damages or liabilities with respect to the wells and leases and the operation thereof and taxes, the payment of royalties and any other natter pertaining to such leases and operations which have occurred, accrued or are existing on the Effective Date including, but not limited to, the litigation matter referred to below and Assignee shall be responsible for any losses, damages or liabilities which occur or arise after the Effective Date including the obligation to properly plug and abandon all wells listed on Exhibit "B".
- 4. Ad Valorem taxes on the leasehold and personal property taxes, if any, assessed and levied during 1986 shall be prorated between Assignor and Assignce based upon the Effective Date hereof. Each party shall be responsible for payment of net proceeds and other taxes on production which it received in 1986 and in prior years, even though some or all of said taxes may be payable in subsequent years.
- 5. Promptly after the closing of this transaction, Assignor will furnish to Assignee all lease, title, operating agreement, other contract, division order, geological, production, seismic and other files and data that it has which specifically pertain to the leases and wells hereby assigned. Assignor agrees to assist in having Assignee replace Assignor as Operator of wells which Assignor operates.
- 6. The stock tanks shall be gauged as of 7:00 a.m. on the Effective Date hereof and oil and/or gas produced thereafter shall be the property of the Assignee. Production prior to the Effective Date

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hersof will remain the property of Assignor, and Assignee will be expected to submit payment to Assignor for any merchantable oil in the tanks on the Effective Date hereof.

- Neither Assignor nor Assignee shall be liable for any brokers', consultants', or finders' fees or commissions incurred by the other with respect to this transaction or the sale of the proporties covered hereby.
- 8. Assignor believes but does not represent or warrant that: (1) the interest of Assignor in any of the wells in which Assignor's interest is hereby assigned has not overproduced the allowable production therefor so as to be subject to being required to curtail future production by reason thereof, (2) no party owning an interest in any well in which the interest of Assignor is transferred hereby has any right to make up out-of-balance production from the interest of Assignor sold hereby, either out of future production or in cash, (3) the interest of Assignor in any of the properties which are transferred hereby is not subject to any existing or potential refund obligation under NGPA or any order, rule or regulation of FERC. (4) except for the litigation referenced below, the interest of Assignor in any of the properties transferred hereby is not involved in any litigation, and no such litigation is threatened. (5) no person has a preferential right to purchase the leasehold incerests hereby assigned, (6) no third person has s right to purchase the liquid hydrocarbons produced from or allocated to the leasehold interests hereby assigned, and (7) all royalties and other lease payments have been made on a current basis except that Assigner is holding certain monies in suspense. Assignor shall inform Assignee fully concerning such suspense · items, including the smounts and the reason they are suspended. . Assignor shall be responsible for the proper payment of any such monies and shall indemnify and hold Assignee harmless from any loss with respect thereto.
- 9. Assigner will assist Assignor in asserting, on behalf of Assignor, the operator's lien contained within the operating agreements covering the properties in which Assignor's interests are hereby assigned, to secure payment to Assignor of Gny monies which may be used by nonoperators to Assignor for taxas due the State of Montana, or political subdivisions thereof, for periods prior to the closing hereof. It is also understood that Assignor has overpaid royalty to the MMS on the Iron Bear Well in the amount of \$24,600.36 and that the MMS is allowing Assignor to recover this overpayment cut of \$0% of the 12½% royalty due each month on production from the well. It is also understood that \$2.577.87 has been recovered leaving a balance of \$22,022.49 to be recovered. Assignee will after it commences handling royalty payments continue to recoup this overpayment and pass it on to Assignor so long as the MMS allows such a procedure.
- 10. Assignor agrees to bear and pay any demages which may be assessed against Assignor by reason of any alleged violation by Assignor prior to the date hereof of the Safe Water Drinking Act, 42 USC (\$300b-2(b)), as alleged in Civil Action No. CV-86-003-GF in the United States District Court for the District of Montana, Great Palls Division, "United States of America v. Grace Patroleum Corporation".
- 11. As part of the consideration of the execution and delivery of this instrument by Assignor, Assignee agrees to all of the terms and provisions and joins in the execution hereof as evidence of such agreement.

This Assignment and Bill of Sale is made with full substitution and subrogation of Assignee in and to all covenants and varranties by others

herecofore given or made in respect to the property covered hereby or any part thereof insofar as such covenants and warranties extend beyond the "Effective Date". This instrument may be executed in any number of counterparts, each of which shall be considered as an original and taken together they will constitute one instrument. · EXECUTED this \_\_\_\_\_ day of August, 1986. but effective the lat day of July, 1986 ("Effective Date"). ASSIGNOR: ATTEST: GRACE PETROLEUM CORPORATION Wesley E. Hyers Vice President ASSIGNEE: MURPHY OIL USA, INC. Attorney-In-Fact · STATE OF OKLAHOMA : COUNTY OF On this \_\_\_\_ day of \_ , in the year , before me , the undersigned officer, personally appeared Secretary of the corporation that known to me to be the Vice President and executed the within instrument and acknowledged to me that such corporation executed the same. Notary Public My Commission Expires: STATE OF ARRANSAS: ) COUNTY OF UNION :) , in the year , the undersigned officer, personally appeared subscribed as Attorney-in-Fact for Murphy Oil USA, Inc., and acknowledged that he executed the same as the act of his principal for the purposes therein contained. IN WITHESS WHEREOF, I have hereunto set my hand and official seal. Notary Public My Commission Expires:

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heretofore given or made in respect to the property covered hereby, or any part thereof insofar as such covenants and warrancies extend beyond the "Effective Date".

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This instrument may be executed in any number of councerparts, each of

	iginal and taken together they will
constitute one instrument.	
•	•
EXECUTED this 20th day of Au	gust, 1986, but effective the 1st day of
July, 1986 ("Effactive Date").	
	·
ASSIGNOR:	
ATTEST:	GRACE PETROLEUM CORPORATION
(2) (2)	4000 M
ellam (0) xam	Wesley E. Ryers
ASSISTANT SECRETARY	Vice President
ASSIGNEE:	V
• '	MURPHY OIL USA, INC.
•	$\bigcirc$ $\uparrow$ = 1
	Alvin W. Simpson
	Attorney-in-Fact
TATE OF OKLAHOMA )	
OUNTY OF GAROTTO 18 35.	
be the Vice President and Actions	ndersigned officer, personally appeared
· :	Connie m Chinzo
•	Notery Public
My Commission Expires:	1100417 100120
	notally round
	Notally Tourse
mission expires March 22, 1989  STATE OF ARKANSAS )	Notally Tourie
mission expires March 22, 1989  STATE OF ARKANSAS )  SS.	Notally Tourie
STATE OF ARKANSAS ) SOUNTY OF UNION )	ust . in the year 1986 . before me.
On this 20th day of Augustumes L. Hunt, the under	ersigned officer, personally appeared
On this 20th day of Augustans L. Hunt , the under Alvin W. Simpson , knowsubscribed as Attorney-in-Fact for )	ersigned officer, personally appeared who to me to be the person whose name is Murphy Oil USA. Inc., and acknowledged
On this 20th day of Augustin W. Simpson , knowsubscribed as Attorney-in-Fact for ) that he executed the same as the act	ersigned officer, personally appeared who to me to be the person whose name is Murphy Oil USA. Inc., and acknowledged
On this 20th day of Augustian W. Simpson , knows bubscribed as Attorney-in-Fact for ) that he executed the same as the actorization contained.	ersigned officer, personally appeared on to me to be the person whose name is Murphy Oil USA, Inc., and acknowledged to of his principal for the purposes
STATE OF ARKANSAS )  SS.  COUNTY OF UNION )  On this 20th day of Augustian W. Simpson , knows that he executed the same as the act therein contained.	ersigned officer, personally appeared who to me to be the person whose name is Murphy Oil USA. Inc., and acknowledged
On this 20th day of Augustian W. Simpson , knows bubscribed as Attorney-in-Fact for ) that he executed the same as the actorization contained.	ersigned officer, personally appeared on to me to be the person whose name is Murphy Oil USA, Inc., and acknowledged to of his principal for the purposes cunto set my hand and official seal.
On this 20th day of Augy  Ismas I. Hunt the under Alvin W. Simpson , know subscribed as Attorney-in-Fact for ) that he executed the same as the actherein contained.  IN WITNESS WHEREOF, I have here	ersigned officer, personally appeared wn to me to be the person whose name is Murphy Oil USA, Inc., and acknowledged to of his principal for the purposes
STATE OF ARKANSAS )  SS.  COUNTY OF UNION )  On this 20th day of Augustian W. Simpson , knows that he executed the same as the act therein contained.	ersigned officer, personally appeared on to me to be the person whose name is Murphy Oil USA, Inc., and acknowledged t of his principal for the purposes eunto set my hand and official seal.

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986, between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Lease Number: 40247-AA

Lessor: BIA 14-20-256-395

Lesses: Richfield Oil Corporation

Dated: December 2, 1954 Effective: April 11, 1955

Recording: Book 172, Page 291

Description: Township 29 North, Range 51 Bast MPM

Section 7: Lots 1 and 2, E/2 NM/4

Lease Number: 40248-AA

Lessor: Albert Euber

Lessee: C. C. Thomas

Dated: December 4, 1951 Recording: Book 122, Page 494

Description: Township 28 North, Range 51 East MPM

Section 10: NE/4

Lease Number: 40249-AA

Lessor: BIA 14-20-256-595

Lessee: Richfield Oil Corporation

Dated: Pebruary 15, 1954

Effective: April 2, 1954

Recording: Book 160, Page 76

Description: Township 29 North, Range 50 East MPM

Section 12: 2/2 NB/4

Lease Number: 40253-AA

Lessor: BIA-14-20-C56-2442

Lessee: Tripol, Inc.

Dated: February 15, 1965 Effective: June 16, 1965 Recording: Book 296, Page 186

Description: Township 29 North, Range 50 East MPM

Section 12: NW/4, W/2 NE/4

Lease Number: 40254-AA

Lesson: BIA 14-20-C56-2439

Lessee: Tripol, Inc.

Dated: Fobruary 15, 1965 active: June 29, 1965

Effective:

Recording: Book 296, Page 174
Description: Township 29 North, Range 50 Yest MPM

Section 2: E/2 SE/4 Section 11: E/2 NE/4, N/2 SE/4, SW/4 SE/4

Lease Number: 40263-AA

Lessor: Orace N. and James W. McAnally

Lessee: The Polumbus Corporation

Dated: Pebruary 9, 1974

-Recording: Book 336, Page 365

Description: Township 29 North, Range 50 East NDM

Section 3: SW/4, NW/4 SE/4 Section 4: SE/4 SE/4 Section 9: NE/4 NE/4, SE/4

Section 10: SW/4, NE/4 NW/4, NW/4 NE/4

Lease Number: 40263-AE

Lessor: Mabel A. and Maxwell Reid

Lessee: The Polumbus Corporation

Datedi Pebruary 9, 1974

Recording: Book 336, Page 367

Descriptions Township 29 North, Range 50 Eaut MPM

Section 3: 5W/4, NW/4 9E/4

Section 4: SE/4 SE/4

Section 9: NE/4 NE/4, SB/4

Section 10: 5W/4, NE/4 NW/4, NW/4 NE/4

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986, between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Lease Number: 40263-AC

Lesdor: Mary E. and John Kohl Leasee: The Polumbus Corporation Dated:

Pebruary 9, 1974 Recording: Book 335, Page 359

Description: Township 29 North, Range 50 East MPM

Section 3: 5W/4, WW/4 SE/4 Section 4: 5E/4 SE/4 Section 9: NE/4 NE/4, SE/4

Section 10: 8W/4, HE/4 NW/4, NW/4 NE/4

Lease Number: 40263-AE

Lessor: Francis W. McGowan Lesses: The Polumbus Corporation Dated: Pebruary 8, 1974

Recording: Book 336, Page 373

Township 29 North, Range 50 East MPM Description:

Section 2: Lots 3, 4, 8/2 NW/4 Section 3: Lots 1, 2, SE/4 NE/4, SW/4, NW/4 SE/4

Section 4: SE/4 SE/4

Section 9: NE/4 NE/4, SE/4

Section 10: NW/4 NE/4, NE/4 NW/4, SW/4

Section 14: 5/2 SW/4

Section 23: N/2 NH/4, NE/4, S/2 NW/4

Lease Number: 40263-AP

Lessor: Joseph R. and Irene S. McGowan Lessee: The Polumbus Corporation

Dated: February 9, 1974

Recordings Book 336, Page 375

Description: Township 29 North, Range 50 Bast MPM

Section 2: Lots 3, 4, 5/2 NW/4 Section 3: Lots 1, 2, SE/4 NE/4, SW/4, NW/4 SE/4

Section 4: SE/4 SE/4

Section 9: NE/4 NE/4, SE/4

Section 10: NW/4 NE/4, NE/4 NW/4, SW/4

Section 14: 5/2 SW/4 Section 23: N/Z NW/4

Lease Number: 40264-AG

Lessor: Charles P. and Velma R. Wood Lesson: . Grace Petroleum Corporation

Dated: January 15, 1985 Recording: Book 485, Page 45

Description: Township 29 North, Range 50 East MPM

Section 8: N/2 NE/4

Lease Number: 40264-AH

.Lessor: Harmon R, and Charlotte Pigg Lessee: Grace Petroleum Corporation

Datedi January 15, 1985 Recording: Book 485, Page 43

Description: Township 29 North, Range 50 Bast MPM ٠ :

Section 8: N/2 NE/4

Lease Number: 40264-AI

Elizabeth Ann McAnally Relsey Lessori Lessee: Grace Petroleum Corporation

Datedi February 6, 1985 Book 485, Page 494 Recording:

Township 29 North, Range 50 East MPM Section 8: N/2 NE/4 Descriptions

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#### EXRIBIT "A"

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Attached to and made a part of that certain Assignment and Bill of
             Sale dated July 1. 1986, between GRACE PETROLEUM CORPORATION, as
             Assignor, and HURPHY OIL USA, INC., as Assignee.
                        Lesse: Harold E. and Wilma G. Iverson, Mabel S. Iverson
Lessee: The Polumbus Corporation
      26856
                                Dated:: February 11, 1974
                          Recording: Book 336, Page 381
Description: Township 29 North, Range 50 East MPM
Now Physics: Bection 4: Lot 3
                                                                  JLONG CREEK 1-32
                                                              Range 50 Bast MPM
                                          Township 30 North
                           Section 321 S/2 HE/I
                                         Section 33: (SH/4 NH/4) (SH/4) NB/4
                                                                                    PARK PLACE
                             THE BACE SOCTION 34: NM/AV
    26857
                                                                           CONSTRUCK 3-23 .
                                                             LLONG CARE 1-93
                        Lease Number: 40266-AA Leasor: Barold E. and Wilma G. Iverson
                               Leasee: The Polumbus Corporation
                           Dated: Pebruary 11, 1974
Recording: Book 316, Page 383
                         Description: Township 29 North, Range 50 East MPM
                        NW POPLACE - Section SI LOT 2, SW/4 NE/4
                                          Township 30 North, Range 50 East MPM
                                                                                     -long Cueb 2-32
                       Comment - Section 12: 5/2 SE/4 NE/4 SH/4
   26858
                                                                 - LONG CREEK 3-32
                        Lease Number: 40266-AB
                               Lesson: E. J. Lander & Co.
Lesson: The Polumbus Corporation
  (26857)
                                Dated: February 28, 1974
                           Recording: Book 336, Page 385
                         Description: Township 29 North, Range 50 Bast MPM
NW PORAR - Section 5: Lot 2, SW/4 NE/4
                       Township 30 North. Range 50 East MPM

CAPTER SELD-Section 32: S/2 SE/4
                                                            L LONG CRIEN BUSE
  26859
                        Lease Number: :40268-AA
                               Lessor: Edith M. Richards, Patricia G. Beck and Gail Alex
                               Lessee: The Polumbus Corporation
                                                                                hurly 25%
                Popular Dated: February 12, 1974
Recording: Book 336, Page 395
                        Reservation: Township 29 North, Range 50 East MPM Right Ros 2-1 Section 2: SW/4
Right Ros 3-/ Section 3: B/2 SE/4
                                         Section 10: SE/4 NE/4
                                         Section 11: SW/4 XA/4
 26860
                       Lease Number: 40268-AB
                                                                             Jungly >53
(26859)
                              Lessor: Harold Hunt
           Lessee: The Polumbus Corporation

NW PARA Dated: Pebruary 12, 1974

Recording: Recording: Part 12, 1974
                          Recording: Book 336, Page 397
                        Description
                                        Township 29 North, Range 50 East MPM
                        RICHARDS 2-/ Section 2: 5W/4
RICHARDS 3-/ Section 3: 5/2 SE/4
                                         Section 10: SE/4 NE/4
                                        Section 11: 3W/4 NW/4
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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986, between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Lease Number: 40268-AC

Legeor: Carolyn L. Thompson Lessee: The Polumbus Corporation

Dated: April 5, 1974

Recording: Book 336, Page 399 Description: Township 29 North, Range 50 East MPM

Section 2: 5W/4. Section 3: E/2 SE/4 Section 10: SE/4 NE/4 Section 11: 5W/4 NW/4

Lease Number: 40268-AD

Lessor: The Montana Conference Association of Seventh Day

Adventists

Lessee: The Polumbus Corporation

Dated: February 28, 1974 Recording: Book 336, Page 401

Description: Township 29 North, Range 50 East MPH

Section 2: SW/4
Section 3: E/2 SE/4
Section 10: SE/4 NE/4 Section 11: SW/4 NW/4

Lease Number: 40368-AE

Lessor: Melvin A. Brown

Lesses: The Polumbus Corporation

Dated: April 11, 1974

Recording: Book-336, Page 403 escription: Township 29 North, Range 50 East MPM Description:

Section 2: SW/4 Section 3: B/2 SE/4 Section 10: SE/4 NE/4 Section 11: SW/4 NW/4

Lease Number: 40268-AP

Lassor: Joseph Homan, Trustee Lessee: The Polumbus Corporation Dated: April 11, 1974

Recording:

Book 336, Page 405 Township 29 North, Range 50 East MPM Description:

Section 2: 5W/4
Section 3: E/2 SE/4
Section 10: SE/4 NE/4 Section 11: 5W/4 NW/4

Loase Number: 40269-AA

Lessor: U. S. Covan

Lessee: The Polumbus Corporation

Dated: May 8, 1974

Recording: Book 336, Page 407

Description: Township 29 North, Range 50 East MPH

Section 11: E/2 NW/4

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Lease Number: 40269-AB

Lessor: Western Land and Minerals, Inc.

Lesses: The Polumbus Corporation

Dated: May 8, 1974

Recording: Book 336, Page 473

Description: Yownship 29 North, Range 50 East MPM

Section 11: E/2 NW/4

#### PAP TIBIT "AP

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986, between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Lease Number: 40269-AC Lessor: Anna D. Coulter Lessee: Grace Petroleum Corporation Dated: January 16, 1981 Recording: Pasemont Description: Township 29 North, Range 50 East MPM Section 11: A portion of the 5W/4 (Access Agreement for the Cowan Wastern No. 1 Well) Lease Number: 40270-AA Lessor: The 2immerman Company Lessae: The Polumbus Corporation Dated: May 20, 1974 Recording: Book 336, Page 409 Description: Township 29 North, Range 50 East HPM Section 11: W/2 NE/4 Lease Number: 40271-AA Lessor: BIA 14-20-0256-3706 Lessee: The Polumbus Corporation Dated: August 1, 1974 Effective: October 22, 1974 Recording Book 344, Page 136 Description: Township 29 North, Range 50 East MPM Section 10: SE/4 Section 11: SW/4 Lesse Number: 40271-AF Lessor: Lois Yvonne Goings MacKenzie, Elaine Adeline Goings Armstrong, Louise Going Arcasa, Jeanette Elizabeth Goings Hauser and Prancis Louis Goings Lassee: The Polumbus Corporation Dated: April 2, 1975 Recording: Easement Township 29 North, Range 50 East MPM Section 11: 5E/4 SW/4 Description: Lease Number: 40272-AA Lessor: BIA 14-20-0256-3646 Lessee: The Polumbus Corporation Dated: August 1, 1974
Effective: September 19, 1974
Becording: Book 344, Page 162 Description: Township 29 North, Range 50 East MPM Section 4: N/2 SE/4, SW/4 SE/4 Section 10: NW/4 NW/4 Lease Number: 40273-AA Lossor: BIA 14-20-0256-3705 Lessee: The Polumbus Corporation Dated: August 1, 1974 Effective: October 22, 1974 Recording: Book 344, Page 168 Description: Township 29 North, Range 50 East NPM Section 10: S/2 NW/4. SW/4 NE/4 Lease Number: 44138-AA

Lessor: BIA 14-20-0256-5346

· Lesses: The Polumbus Corporation Dated: September 10, 1981 Effective: January 26, 1982

Recording: Unrecorded Description:

Township 29 North, Range 49 East MPM Section 10: SW/4 NE/4, E/2 NW/4, W/2 SE/4,

NE/4 SE/4 Section 11: NW/4 SW/4, E/2 SW/4

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EXRIBIT "A"

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986, between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignes.

Lease Number: 44139-AA Leasor: BIA 14-20-0256-5847

Lessee: Grace Petroleum Corporation

Dated: September 10, 1981

Effective: January 26, 1982 Recording: Onrecorded

Description: Township 29 North, Range 49 Bast MFM Section 20: 9/2 NB/4, NB/4 NW/4

Lease Number: 44224-AA Leaser: BIA 14-20-0256-5804

Lassee: Grace Petroleum Corporation

Dated: March 27, 1981

Recording: Unrecorded

Description: Township 29 North, Range 50 East MPN
Section 24: \$/2 SE/4
Section 25: NE/4

Lease Number: 44560-AA Leaser: BIA 14-20-0255-6772

Lesses: Century Oil & Gas Corporation

Dated: December 14, 1984 Effective: December 19, 1984 Recording: Book 502, Page 533

Description: Township 29 North, Range 50 East MPM

Section 4: 5/2 SW/4 Section 9: E/2 NW/4, NE/4 SW/4

Lease Number: 44580-AA

Lessor: R. G. Enterprises, Inc.

Lessee: Century Oil & Gas Corporation

Dated: August 21, 1984

Recording: Book 473, Page 351

Description: Township 29 North, Range 50 East MPM

Section 9: 6E/4 NE/4, W/2 NE/4

Lease Number: 42758-AB

Lessor: William G. Coulter and Earl Baker

Lessee: Grace Petroleum Corporation

Dated: January 16, 1981 Recording: Engement

Description: Township 29 North, Range 50 East MPM

Portions of:

Section 2: SE/4 SE/4 Section 3: SE/4 SE/4 Section 11: NW/4 NE/4

Section 14: NW/4 NE/4

J/7 8/06/86

Lease Number: 40271-AF Leasor: BIA 14-20-0256-4012

Lessee: The Polumbus Corporation Dated: April 2, 1975

Recording: Easement.

Township 29 North Renge 50 East MPM Section 11: 5E/4 SW/4 Description:

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## "8" TIGIEKZ

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MDRPHY OIL USA, INC., as Assignee.

Quantity	Bana landa
Acoustich	Description
	Long Creek Fee #1-32 Hoff
. 1 2	Building, Engine House 14x14x9, Wood Frame, Corr Iron Covered, Dirt Ploor, Insulated
1 2	Building, Treater House, 11x12x8, Wood Frame, Corr Iron Covered, Dirt Ploor, Insulated
: 1	Casing, 9-5/8" OD, 40.00 LB/Ft, GR K-55 ERW or SMLS, ST&C
1 2	Pipe, Line CW API 5L-A25 3 in. SRL Std Blk PE National Supply DCON 7475-39146
1	Pipe, CM Line, API St-A35, 2 in., RL Std Blk T&C
· 1	Pipe, Line 3 in PE Std Yellow Jacket National Supply ECON 7475-39146
1 2 3 4	Tanks, 400 Bbl C-E Natco 12 ft. x 20 ft. closed top 1-piece Piberglass C/W cleanout w/cover theif hatch ladder lugs Lifting lugs and connections installed C-E Natco P.O. 551015
. 1	Tank, 400 Bbl, Type B w/stairkit, walkway, bolts & nuts Pitt-Des Moines P.O. #3-551000 Inv. #53050-1
: 1	Valve, Gate 2-7/8" in EUE 8rd 2-9/16" PO 3,000 lb. NP Barton
· 2 · 3	Weight F/LDFA-301 National Supply DCON 7475-39146
1 2	Tubing, 2-7/8" 6.5 LB EUE R2 ERW Superior Supply P.O. 551014
. 1 , 2	Casing, 5-1/2" OD 17.00 Lb/Pt, Gr L-80, ERW or SMLS LT&C
: 1	Casing, 5-1/2" OD, 23.00 Lb/Pt, Gr L-80, ERW or SMLS LTSC
<b>1</b>	Tubing 2-7/8" OD 6.5 LB J-55 SMLS
; 1 ; 3 ; 3	Controller, W-Hse 1373039G07 with Model 580 Syn-Com Motor Saver, 3 W-Hse FR83 Htr Elements Wesco P.O. 705900
1	Control, Motor, Westinghouse Style 1373D39G06, CL 11-276 Size: 2
1 2	Motor, 50 HP Baldore 1125 RPM TEFC 404T Frame 440/796 Volt S/N 2/846
1 2	Reater-Treater 4'x20' BSEB Type S 25 1b. WP 350,000 BTU Part #31-03-001-14 1/4" Vert Stl w/ladder insulated SN 9302
2 3	Head, Tubing Type SC 10 API-3000 x 6 API-3000 w/2 2"  IP50 7" Bowl 6-3/16" Bore  McEvoy DCON 15249

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#### "E" TIEIHXS

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignes.

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### Quantity Description Long Creek Pee #1-32 Head, Casing Lowboy 9-5/8" 50" x 11" 3000 Lb W/2 · 2 in. LPSC McEvey DCON 14981 Rods, Sucker 1" x 25' Dover Nor:13 Type 90 w/SLM Hole Type T opigs. National Supply DCDN 7475-39491 Rods, Sucker 7/8" x 25' Dover Notris Type 90 v/full Size Type T Cples National Supply DCON 7475-39491 Rods, Sucker 3/4" x 25' Dover Rorris Type 90 w/Full Size Type T Cplas National Supply DCON 7475-39491 Unit, Pumping Lufkin C-4560-365-120 Scries R-K SM28586-94011 B. Cranks 48" 60 Sheave Base F/DP-80 SH 899008N-455950 2 1 Tank 400 Bbl 12 x 20 Type B 1/4 NS Cone Stm. SN 31364-13 Tank 400 Bbl 12t x 20' API Type B WS 1/4" SN 31364-18 Tank 400 Bbl 12' x 20' API Type B WB 1/4" BN 31364-18 1 Rods, Bucker 1" x 25' Type T Cplqs National Supply DCON 7475-39491 40172 Long Creek Pee #1-33 Casing, 5-1/2" OD, 17.00 Lb/Ft, Gr N-80; ERW or SMLS LTLC Casing, 5-1/2" OD. 20.00 bb/Ft Gr N-80, ERM or SMLS 1 2 LTAC Cesing 8-5/8" OD SMLS J-55 TaC 24 LB 8rd Short 1 Casing 5-1/2" OD 23 1b. L-80 SNLS R-3 ST&C 1 Casing 8-5/8" OD 24 1b. K-53 J&L EW ST&C R-3 Tubing 2-7/8" OD 6.5 1b. 1-80 EUE Brd 1 Tubing 2-7/8" OD 6.5 Lb L-80 EUE 8rd 1 Tbg, 2-7/8" OD 6.5# L-80 Erd EUE TEC 1. Tbg. 2-7/8" OD 6.5# L-80 8rd EUE T6C The, 2-7/8" CD 6.5% L-80 and BUR TWO

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, on Assignor, and MURPHY OIL USA, INC., as Assignee.

. . . . . . . . .

Quanti	ty <u>Pascription</u>
	Long Creek Fee \$1-33
	I Tbg 2-7/8" OD 6.54 L-80 Brd
	1 Casing, 5-1/2" OD 23# L-80 LTsC R-3
	Control, Motor, MPR Westinghouse, Style 1373D39GC6, CL 11-276, Size 2, 440/762 V, 60 Hz, Combination Oil Well Pumping
:	Controller, Nena Size 3, Westinghouse Style 1373039G07
	Motor, Electric, 50 HP General Electric YPE "KR", Model SKR4405A3Y1F2 Frame 405-U, 1120 RPM, 3 Phase, 60 cycle 440 Volts, 8N UR 295023
	Pipe, Line CW API SL-A25 2° RL 8td Blk T6C National Supply Co DCON 7475-44322
	Pipe, Line CM API 5L-A25 2 In RL Std Blk TsC- National Supply DCON 7475-4456
	Pipe, Line CH 2" API 5L-A25 RL Std Blk T4C National Supply DCON 7475-45362
	Pipe, Line 3 in CW API 51-A25 SRL 8td Blk PE Hational Supply DCON 7475-45363
· 3	Cranks 48" in 6N Sheave Base for NP-80 Alax Gas Engine Ser No.
· 1	Type T Cpigs & w/6 each 2-1/2" Patco Ryton Scrappes
- 1 - 2 - 3	Cplgs
: 1	Rod, Sucker 3/4" x 25' Dover Type 90 w/Full Size Type T Cplgs
3	
. 1	Neater Treater, 6' x 15' Horiz, 50 PBI Asmo Codes Pittsburgh Des Moines Corp, P. O. 3-550908 SN 53025
. 1	Value, Gate Assy 2-3M LP API 6A N-1 Armoo Nat'l Supply DCON 7194-402
. 2	Tank, 400 Bbl Type B v/UB Pt. Walkway & Stairway Kit Pittsburgh - Dea Hoinea Corp PO 3550914A 6N 53026-01

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#### EXEISIT "B"

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Quantity	Description
	Long Creek Fee 91-33
. 1	Tank, 400 Bbl Type B w/18 ft. Walkway & Stairway Kit
. 2	Pittsburgh-Des Moines Corp. P. O. 3550914A
_	EN 53026-02
. 3	9N 31046-04
1	Tank, C-E Natco 12' x 20' 400 Bbl Piberglass One Piece
2	Construction w/24" x 36" Cleanout 8" Round Base Lond
3	Pan Press-Vacuum Thief Hatchladder Lugs Lifting Lugs Conn.
; <b>4</b>	Per Customer Requirements
<u>.</u> 5	: Natco P. O. 3-550913-A
	7
	• •
	Long Creek #2-32
. 1	Pipe, Line 2" C-500 Fiberglass 8205020800 CIBA Geigy
. 2	Superior Supply P. O. 551031
1	Casing, 5-1/2" OD, 20.00 LB/Ft., Gr L-80, ERW or SMLS
2	LTsc
1	Caring 8-5/05 OD 40 OD 15/75 Ca Muse 7777 000 0
2	Casing, 9-5/8" OD, 40.00 Lb/Ft, Gr K-55, ERW or SMLB
<b>2</b> .	Buttress
. 1	Casing 5-1/2" OD 23 1b. L-80 SMLS R-3 ST&C
1	Tubing, 2-7/8" OD, 6.50 Lb/Ft, Gr L-80, SMLS, 8rd, EUE
. 2	W/ABC Mod Cplq.
·	The two chief
. 1 .	Pipe, 3", 216W 7.50 lb. 8td 8ML6 A538 Line PE
. 1	Pipe, 3° Cw Line API 5L-A25 Std LBK PE
: 1	Pipe, 3" CW Line API 5L-A25 RL Std Blk T&C
1	Pipe, 4" RL Std Blk T&C, CW Line, API 51-A25
2	Armoo National Supply Co., Inv. \$7476-36111
-	Atmos decisies supply co., silv. \$7410-30111
2	Pipe, Line 2 In C-500 8205020800 CIBA Geigy FBRGLS
, <u>2</u>	Superior Supply P. O. 551028
:	
1	Pipe, 4" PE Std
2	Armco National Supply Co. Invoice 7476-37692
1	Valve Assy Gate 2-9/16-3M UP Tbg N-1
. Ž	National Supply Co. Inv 47194-1062 DCON
1	Canarating Cat. Assa Walal 12 A RIG-24B 12 We 150/548 Wala
. 2	Generating Set, Onan Model 12.0 DJC-3CR, 12 KW, 120/240 Volt,
: 3	Single Phase, 60 Hertz, Equipped w/Weather protective housing
	W/Automatic shutters, high temp cutoff; mounted muffler,
, ,	100 ft. remote wire; and AC instrument panel BN 810587142 Mechanical and Electrical Equipment PO #1-954384

Attached to and made a part of that dertain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPEY OIL USA, INC., as Assignee.

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Quantity	Description
	Long Creek #3-33 LOATS
1 2	Motor W-Hae 50 hp TEFC 4050 3PH 50 Hz. Oil Well Pumping Type SN 8408
. 1	Treater, Restor 6' x 15' Pitteburgh-Des Moines Corp P-04-705897-AP Inv. 054016-1
. 1	Tank, 400 Bbl w/Walkway & Stairway
2	Pittsburgh-Des Moines Corp P64-705897-AF Inv. #54016-1
1	Tubinghead, Type "SC", 10 API-3000 x 6 M/Two 2" LPSO,
2	7" Bowl, 6-5/16 Bore
3	McEvoy Inv \$UX-34242, DCON
1	. Valve, Ball WRM, 2" - 3000, 2" LP Inlet x Outlet
2	Stainless Steel, Nace WKM; 2R310C4, Trim C9223-51
3	McEvoy Inv. #UX-34242, DCON
7	Tank, C-E Natco 12" DIA x 20' High 400 Bbl. Nominal Capacity
2	Piberglass
· 3	C-E Natco FO \$4-714467-A
: 2.	Tubing, 2-7/8" OD 6.50 Lb C-75 EUZ R2 SMLB CF41
2	Chickasaw Distributors Inc. P. O. 701981
: 1	Casing; 5-1/2" OD, 17.00 Lb/7t, GR K-55, ERW or SMLS
2	BT4C
: 1	Casing, 5-1/2" OD, 20.00 Lb/Ft, GR L-80, BRW or 8ML8
; 2	LTEC
: 1	Casing, 9-5/8" OD 400 K-35 R-3 Butt T&C
2	Tubing, 2-7/8° OD, 6.50 Lb/Pt, Gr L-80, 8ML9, 8rd, gug
. 2	TIC
1	Tubing, 2-7/8° OD, 6.50 Lb/Ft., Gr L-80, BMLS, EUE,
: 2	W/ABC Mod Cpig.
. 1	Starter, Size 4, Nena, 460-796 Volt 10 #80-5343-13581
: 2	Serical #30-313581
į	PO \$4-706107V, Weaco, Inv. \$209524
1 1	Read, Casing, Lomermost, Type Louboy, 9-30, (244.5)
2	Slip-On x ll API-30000 (279.4) API 2071, w/Two 2° (50.8)
3	APO LPGO, McVey, Inv. #UX-32287, DCON
1	Rod, Sucker, 11° x 25' TY 78 w/Shc
. 1	Rod, Sucker, 7/8" x 25' TY 78 w/Sht
. 1	Rod, Sucker, 3/4" x 25' TY 78 w/5ht
: 1	Unit Pumping Lufkin C-640D-305-120 8N #H105741P-469529

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM COMPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Quant	ity	Description
	_	Long Creek #3-33
		Turn Cabanadaan Anni aan
:	1	Pump-Subsurface Anelson 2-1/2" x 2" x 24' RWBC with 2"x5" Axito Plunger, Single
	2	Walle Ball & Cash Mine Value Michy Barrel
	3	Tungsten Carbide Ball & Seat Type Valves, N1-AX Barrel
	4	Tube Axelson Insert Guided Cages, Cup Type Hold Down
	5	Maximum strke id .210"
	6	Axelmon No. 747930 DCDN
:	1	Valve, Ball, WKM, 2"-3000, 2 in LP Inlet x Outlet
	2	Stainlass Steel, Nace, WKM \$28301C4, Trim CB223-51
. :	3	McEvov. Inv #UX-32287. DCON
•:		Long Creek 13-32 407714
	1	Treaters, Horixontal 2 - 6' x 15'
•	2	Pittsburgh -Des Moines Corp. P. O. 551000
	3	EN 53666
	ı	Tanks 400 Bbl 2-Type B W/Btairkit Walkway & Nuts & Bolts
	2	Pittaburgh-Des Moines Corp P. O. 351000
	3.	SN 53050-01 and 53050-03
	•	1, 2
	1	Casing, 8-5/8" 249 API X-55 DAL SMLS Srd DT&C R-3
	ı	Casing, 5-1/2" 23# L-80 SMLS R-3 LT&C
	1	Casing, :5-1/2" OD, 17.00 LB/PT, Gr K-55, ERW or SMLS
	2	STEC
-	•	
	1	Starter Westinghouse 1373D396D8 Nena Size 4 460-796 Volt
	2	with Motor Savers
•	3	Weson Inv. 200560 PO 4705998V
	1	Motor 60 HP Siemans-Allis 1200 RPM Prame 444T
:	2	460/796 Volts SN 5136-38721-01-1
	1 .	Pipe, CW Line API 5L-A25 3' SRL Std Blk TeC
:	2	Armco National Supply Co. DCON 7475-45068
:	1	Pips, CW Line API 5L-A25 2" RL Std Blk TeC
:	2	Armoo National Supply Co. DCON 7475-45068
	1	Pipe, CW Line, API 5L-A25, 4", RL Std Blk T&C
	ĭ	Pipe, FERG, 3" Tab Silver AOS
٠.	1	Rods, 1" x 25' Type 90 Dover-Norris Sucker Rods w/sht
:	2	Couplings
:	3	National Supply Co DECON 7475-45428
•	1	Rods, 7/8" x 25' Type 90 Dover-Norris Sucker Rods w/Pst
	2	.Couplings
	3	National Supply Co DECON 7475-45428

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACS PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee:

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Quentity	pescription
•	peograpaci
:	Long Creek #3-32
1	Rods, 3/4" x 25' Type 90 Dover-Norris Sucker Rods
. 2	National Supply Co. DECON 7475-45428
<sup>;</sup> 1	Unit Pumping Lufkin M-320D-256-120 8N P10662N-471760
i	
; 1	Tubing, 4236 Ft 2-7/8" 6.50 L-80 EUE Range 2 ERM 137 Jts
. 2	Superior Supply Company PO 4-701980C Invoice 0131 1215500-S
1	Tubing, 2-7/8" 5.30 L-80 EUE Range 2 74 Jts.
. 2	Superior Supply Company PO 013-1215501
1	Tank, 400 Bbl Fiberglass 12' Diameter x 20' high
2	Serial #0384-Spec W3
3	C-E Natco Inv #77001393, PO #4-714468-A
:	Long Creek Fee 12-5 4D773.
1	Motor, 50 HP 1200 RPM 3 Phas, 60 cy 460/796V Baldor 404T
2.	Frame #OF3750T Cil Well Pumping Motor
. 3	General Industrial PO4-705896 Inv. \$531169
. 1	Pipe, 4° Line, CW API 5L-A25 RL Std Blk TsC
• 1	Pipe, 3° FBRG, Tab Silver Ads
1	Fipe, 3° Line CW ADI SL-A25 SRL Blk PE
1	Pipe, 2" Line, CW API 5L-A25 RL Std Blk TaC
1 2	Treater, Borisontal Pitts-Des Moines Corp P.O. 63-705871 S/N 53072-01
	•
[1	Pump Assy,: Roper 2920-Spec-O v/motor 5 HP 39H TEPC 1,200 RPM
.7	Tank, 400 Bbl Fiberglass S/N 0184-Spec-W4 .
.2	CE Nateo PO \$4-701098
[1	Tank, 400 Bbl Stock Pitt-Des Moines P.O. #705886
.1	Casing, 5-1/2" OD 17 1b. L-80 LT6C
1	Casing, 5-1/2 OD 20.0  ft .36w/ Gr LBO R3 U S6 SMLS Cag
2	LTSC API 5AC Disposition
:3	Oil Wall PO#4-714838-C
1	Casing, 5-1/2° 20.00 L-80 LTsC Range 3 New Casing
. 2	SRW .
3	Superior Supply Company PO 44-809929-C
ì	Casing, 5-1/2" OD, 17.00 Lb/Ft, Gr K-55, ERW or SMLS
.2	9T&C.

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

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Quantity	Description
	Long Creek Fee #2-5
1 2	Casing, 5-1/2" OD, 17.00 Lb/Ft, Gr K-55, ERW or SMLS LTaC
1	Casing 9-5/8" 36\$ K-55 Menns API and STaC R-3
. 1	Tubing, 2-7/8" OD, L-80 EUE
1 2	Control, Motor, Westinghouse Style 1373039G06, CL 11-276 Size 2
1 2 3 4	Controller, Westinghouse, Nena Size 3 460/796 Volt HF Frame Circuit Breaker Btyle No. 1373D39G07 w/Heater, Overload Cat No FH-83 Wesco PO3-705865
· 1 2 3	Rods, Sucker 1° x 25' Type 78 Norris w/SLM Hole Type T Cplgs w/6 ea 2-1/2" Hr Scrapers Per Rod Armoo DCON 7475-43403
. 1 2 3	Rods, Sucker 7/8" x 25' Type 78 Norris w/Full Size Type T Cplgs. Armco DCON 7475-43403
1 2 3	Rods, Sucker 3/4" x 25' Type 78 Norris w/Pull Size Type T Cplgs Armco DCON 7475-43403
1 2 3 4 5	Unit Pumping Lufkin H-320D-256-120 Gr 30.12 to 1 SN P106663N-471761 CBE (4 #ORD) C/Guards, 42° Sheep-Proof, Rail Agma #4 Oil, Paint Black W/Orange Trim Mount c/pins in 120° Stroke SN #P105663K Poundation: A68961 Lufkn Ind P04-705899

J/6 8/05/86

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

#### Quantity Description Fresh Water Injection Plant N.W. Poplar Wheatly Pumping Unit, Bimplex Pig Px50xA Sor. 1876A 1 Century Electric Motor, 3 HP, 3 phase, 460V, Type 8C 1 Serial (SV - 1 Allen-Bradley Electrical Control 10 HP 3,3001 2º Fiberglass 500 Bbl. Galg. Comp Btm, Insulated Tank . 1 Meters - Rookwell 26117765, 26117766, 26117761 and 26117762 1º Brass MDU Electrical System 1 16 x 38 Comb. Pump House/Wheel, wood frame, metal covered, Insulated w/electricity and heated Marathon 3 HP, 3 phase, 460V, type TGB-EE, 122T Frame Electric Motor Serial #861136 (Spare Motor) Buck Elk #1 Buck Elk Transfer Pump Lufkin Pumping Unit, 320-D-TC-1-41D Serial #52-U GC Electric Motor 50 HP, 3 phase, 440 Volt, Type ROP 466U frame, Serial #XT423S07 G2 Blectrical Control 50 HP, w/time clock re-starter Cameron Tubing Read Camercon Casing Read 5,7021 2-7/8" EUE 82d 121 - 7/8", 100 - 1/4" Rods 4-1/2" J-55 9.5# Casing 5,700' 5,7751 5,940' 7" J-55 224 Casing. 2" Fiberglass Flow Line ' 1,700' 1 O-Mail Treater 6 x 90 Vertical Serial 4SP-6809 Tanks 300 Bbl Steel Tank Welded 2 Sucker Rod Pump Axelson, 2-1/2" x 2" Insert 1 \*Triplex Pump Oil MCH Rated 500 EMPD # 400 pmi B-323 2' system 1° discharge 1-3/8° plungers GB Electric Motor B-323 Rated: 500 BWFD 9 400 pmi 2" Suction 1" discharge 1-3/8" plungers

Allen-Bradley Blectrical Control 25HP size w/timer clock

8x12 Wood Prame Treater House, Metal Covered, Insulated 8'x10' Wood Frame Insulated Pump Bouse

300 Bbl Water Tank - Fiberglass tank w/switches

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA. INC., as Assignee.

Quantity	Description
	Cowen Western #1 40757
	******
1	Lufkin Pumping Unit - 226-T6-363 Berial 4691K. Master Blectric Motor - 30 HP, 3 phase, 440 Volt, Type PC
•	406 Frame, Serial #AYPB21
1	Square D Blectrical Control - 50 MP w/time clock re-starter
ī	Restor Tubing Head 3,000 pai
· 1	Restor Casing Head 3,000 psi
31	2-7/8" EUE ard Tubing
6,115'	.2-7/8" Acme 8td Tubing
21'	1-7/8" EUE 8rd Tubing
6,100'	. 76-7/8", 168-3/4" Rods
6,218'	4-1/2" J-55 Casing
1,350'	2-7/8" BUE 8rd Tubing Flow Line
1	National Treater - 6x27 Vertical Serial #66500
1	300 Bb1 steel welded cone btm
1	Sucker Rod Pump Axelson - 2-1/2" x 2"
1	8x10 Wood Frame covered insulated treater house
1	Treator House Dual Headed Chemical Pump Vega
	Serial #23224 and 22225
1	Marathon 1/3 HP Motor 1725 RPM Serial #165504
	Cut Hair 11 40160
	Cut Hair #1 #0/14
:	East Poplar
1	Lufkin Pumping Unit C-228-D-74-23 Serial 48
1	GE Blectric Motor 50 HP, 3 phase, 440v, 445 frame
	Serial #NNB278565
1	GE Blectrical Control - 50 HP w/time clock re-starter
. 1	Rester Tubing Head
. 1	Rester Casing Head
4,750	2-7/8" EUE 8rd Tubing
4,720'	Rods 69-7/8", 120-3/4"
5,973'	Casing 7" 22/20¢ J-55
250'	Plow line 3" Piberglass
1	National Treater 6 x 20, Serial #T-9607301-10
. 2	300 Bbl Stoel Tanks
. 1	Axelson Sucker Rod Pump - 2-1/2" x 2"
. 1	6 x 10 Wood Frame Metal covered insulated treater house
:	· · · · · · · · · · · · · · · · · · ·
	Goings 1-10 40768
	N. W. Poplar
1	Lufkin Pumping Unit C-228-D-346-86 Serial #54921N-985438
· 1	Robbins-Hammer Electrical Control - 30 RP, 3 phase, 440V
•	Type ND-B4W6 3650 frame, Serial JCH-5568
1 .	Cutler-Hammer Electrical Control - 50 MP, time clock re-starter

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACS PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Quantity	Description
•	. Golda 1-10
	N. W. Poplar (cont'd)
. i	Rector Tubing Head 3000# Series 900
. <u>1</u>	Rector Casing Head 3000\$ Series 900
6,070'	2-7/8" EUE 8rd J-55 Tubing
6,000'	Rods 91-7/8°, 148-3/4°
6,225	5-1/2' 15.54 X-55 & 17# Rec. Casing
5,300'	2" Fiberglass Plow line
1	O'Neil Treator - 4x20 Vertical Serial \$3081
2	400 Bbl Flat btm steel welded tanks
ī	Baker Anchor
. 1	Axelson Sucker Rod Pump - 2-1/2" x 2"
ī	8x10 Wood Frame metal covered insulated treater house
1	Treater House Chemical Pump - Serial #22226 & 22227
1	Marathon 1/3 HP Motor Serial #R.165503
1	Vaga Chemical Pump - C
	•
	· · · · · · · · · · · · · · · · · · ·
•	Goings Gov't SWD #1
•	N.W. Poplar
1	Wheatley Pumping Unit - P-323 Triplex, Serial 48P410725
1	Robinsk Mayer Blegtrio Motor - 30 RP, 3 phase, 440 Volt.
•	Type NO-9HW6 365U frame, Berial DHO6944
1	Allan-Bradley Electrical Control - 50 HP w/time clock
· 1	re-starter
. 1	Rector Tubing Head 3,000 psi, Series 900
3,900'	Rector Casing Head 3,000 ppi, Series 900 2-7/8" EUE Cemented in hole tubing
13'	15.50 K-55 5-1/2" Caming
3,993'	9.5¢ K-55 4-1/2" Casing
1,350'	4" Fiberglass Flow line
1	300 Bbl Fiberglass Tank
· i	12x12 wood frame matal covered insulated pump house
· [	85x65 lined pit (framed)
1	Fexbore 8-day recording chart
1	Barton Model 242A
: <b>1</b>	ITT Barton Turbine & Meter Serial #662 R-Pactor 415.8
: 1	Chemical Pump - Vega Serial 2093 Pump Motor Serial \$2244546
	Model #6% 738 L Dayton 1/3 HP
	· · · · · · · · · · · · · · · · · · ·
	Nuber #1 & Tank Battery
	N, W, Poplar
•	
. 1	Lufkin Fumping Unit - 228-358 Serial \$117J
1	Valley Electric Motor - 60 HP 3 Phase 460V SNRS 445U Frame
	Serial #379418
1	GE Electrical Control - 50 HP w/time clook re-starter

#### EXHIBIT "B" (Continued)

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Quantity	Description
:	Huber #1 & Tank Battery N.W. Poplar
· 1	Cameron Tubing Read Series 600
1	Cameron Casing Head Series 600
5,6071	2-7/8" EUE 8rd Tubing
5,525	:091 5-37 Rods - 86-7/8", 133-3/4"
5,953'	7" Caming 23/26# J-55
1,500	2-7/8° Tubing Plow line
. 1	National Treator - 6x20' Vertical
. 2	350 Bbl Tanks Galvanised, Belted, come btm.
2	Vegas Chemical Pumps Serial \$20423 and \$20427
. 3	Daytons Motors for Chemical Pumps - Model 6K734L RPM
	1725 HP - 1/4
. 1	Axelson Bucker Rod Pump 2-1/2" x 2"
i	10x22 Wood frame treater house, insulated and metal covered
ī	Worthington Circulating Pump Berial \$8779 3 HP Baldor
•	Bleatric Motor
1	3 phase, 440V, type TG6-RX, Frame 1237 Motor Berial \$1177.
ī	Luckin 228 Pumping Unit SN 1770
ī.	30 MP Robbins-Meyers Electric Motor 5N DMS6944

# Huter #2

1	Cameron Tubing Read - Series 900			
1	Cameron Casing Head - Beries 900			
3,410	Tubing 2-3/8" CS Hydrill			
5,776'	7° 220 J-85 Casing			
1,500	2-7/8" EUE 8rd Tubing Flow Line			
	Treater (See Huber #1 Shoot)			
:	Tank (see Ruber \$1 Sheet)			
. 1	85x85 Lined overflow pit (Fenced)			
. 1	12x12 Storage Building, Metal covered			
1	10x10 pump house building, metal covered			

#### Huber #3 Bast Poplar

Rector Tubing Head
Rector Casing Head
Flow line 2° Steel Line Pipe
Treater (See Huber #1 Sheet)
Tank (See Huber #1 Sheet)

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Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

: Quantity	Description				
440110201					
	Ruber 4A				
	Sast Poplar				
1	EMSCO Pumping Unit - D-160 Serial \$166-1				
1	Toshiba Blectric Motor - 40 HP 3 phase, 440V; Type 11KK				
	364T frame, Serial 48-10023-19				
1	GE Electrical Control - 40 HP with time clock restarter				
1	Larkin Tubing Head				
1.	Rector Casing Head				
5,578'	2-7/8" EUE 8rd Tubing				
5,500'	Rods USI -357 - 50-7/8", 150-3/4" .				
5.760'	Caging 3-1/2" 15.59 J-55				
4001	2-7/8" Tubing Flow line				
	Treater (See Huber #1 Sheet)				
	Tank (See Huber #1 Sheet)				
1	Packer Baker Lee-Set 5-1/2"				
•	Axelson Sucker Rod Pump ~ 2.5" x 2"				
:	Huber (Devonian) \$5				
1	Serios Con Coning Hand - Million Wood				
7,315'	Serios 900 Casing Head - Tubing Head 2-7/8" EUE 8rd Tubing				
1,300	2º Hydril Flow-line				
1	Baker Packer Model "R" Single Grip				
ĩ	National Treater - 6x20' Vertical				
7,306'	5-1/2° OD 14 & 17 Brd Casing.				
2	500 Bbl. Steel Welded Tanks				
:	·				
•	•				
	Iron Bear #12-2				
	N.W. Poplar				
1	Lufkin Pumping Unit - 320-D-305-100 Berial #D46225M				
, <b>1</b>	Toshiba Electric Motor 50 HP, 3 phase, 440V, Type TIKK				
	365T:Erame, Serial 480938248				
1	Allen-Bradley Electrical Control - 50 HP with time clock				
	restarter ."				
1	Restor Tubing Read - Series 900				
, 1	Restor Casing Head - Series 300				
6,156'	2-7/8" EUE 8rd J-55 Tubing				
6,100'	Rods 113÷7/8", 131-3/4"				
6,329'	Casing 5-1/2" 15.5%, J-55				
4,000'	flow line 2-7/8" BUE 8rd J-35 Tubing				
: 1	National Treater 6x37 Vertical				
2	Tanks 400 Bbl Steel Welded Flat Btm				
1	Guiberson Anchor 5-1/2"				
. 1	Axelson Sucker Rod Pump 2-1/2" x 2"				
• 🛓	8x10 Nood frame metal covered insulated treater house				

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#### SXHIBIT "B" (Continued)

Attached to and made a part of that certain Assignment and Bill of Bale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA. INC., as Assignee.

Quantity	Description							
	Iron Bear #4 N.W. Poplar							
1	Lufkin C-226-D-246-66 Serial #D5482ON-385034							
· 1	GE Blectric Motor 40 BP, 3 phase, 440V, Type NOF							
_	404U: frame, Berial #TV254217							
1	Cutler-Hammer Electrical Control - 50 HP w/time clock							
• •	re-starter .							
1	Rector Tubing Head - Series 900							
: ī	Rector Casing Head - Beries 900							
98'	2-7/8" EUE 8rd J-36 Tubing							
5,9321	2-7/8" Acms Std Tubing							
5,950'	Rods 70-7/8", 168-3/4"							
6,244'	Casing 3-1/2° 13.50 J-55							
5,400	Flow line 2" Fiberglass							
5,100	Treater (See Iron Bear #2 Sheet)							
	Tank(s) (See Iron Bear #2 Sheet)							
	Baker Anghor 5-1/2"							
1	Bucker Rod Pump 2-7/8" x 1-1/2"							
1 1 1 6,309 6,270 6,325 5,320	Iron Bear #3  N.W. Poplar  EMSCO Pumping Unit DB-228 Serial #104  Wagner Electric Motor ~ 40 HP, 3 phase, 440V, Type XP6  405 frame, Serial #87H1399  Allen Bradley Electrical Control ~ 50 HP w/time clock re-storter  Acme Tubing Head ~ Series 900  Shaffer Casing Head ~ Series 900  Tubing ~ 2-7/8" EUE 8rd J-55  Rods 70-7/8", 179-3/4"  Casing 5-1/2" 15.5# J-53  2" Piberglass Plow Line  Treater (See Iron Bear #2 sheet)  Tank (See Iron Bear #2 sheet)							
:	Reid 10-1 N.W. Poplar							
. 1	Lufkin Pumping Unit C-228-8246-66 Serial \$60686N-398292							
; 1	Robbins Meyer Electric Motor - 30 MP, 3 phase, 400V, NDBEM6							
	965U frame, Serial RP7746							
1	Cutler-Hammer Electrical Control - 50 HP w/time clock re-starter							
1	CIW Tubing Head - 3,000 psi							
1	CIW Casing Head - 3,000 psi							
6,.153'	Tubing 2-7/8" BUB 8rd J-55							
6,100	W.C. Norris Rods 95-7/8", 145-3/4"							
:								

## EXHIBIT "B" (Continued)

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignes.

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Quantity	Description
	Reid 10-1
	N.W. Foplar cont'd.
6,220' 8,000'	Casing 5-1/2" 15/5# & 17# K-65 & N-80 3" Fiberglass
1,200	2" Fiberglass Flow line
, 1	O'Neill Treater - 6x20 Vertical Serial #3824
. 2	Columbia 500 Bbl Galvanized Tanks - Bolted Cone Btm
	5-1/2° Baker Anchor
1	Sucker Rod Pump 2-7/8" x 1-1/2"
i	10x10 wood frame metal covered treater house insulated Epper Fig. 1APR1 Circulating pump Serial #879798
Ţ	Wisconsin BEND Pump Engine Serial #6971141
:	Richards 3-1
	N.W. Poplar
1	Lufkin Pumping Unit - C-228-D-246-86, Serial #D60887W-398291
1	Robins & Mayer Blectric Motor - 30 HP, 3 phase, 460V,
	Type NDBHW6, 965U Frame, Serial EF7746
1	Cutler-Hammer Electrical Control - 50 HP w/time clock re-starter
. 1	Rector Tubing Head 3,000 psi
1 6,183'	Rector Casing Read 3,000 psi
6,125'	Tubing 2-7/8" and J-55 Rods 100-7/8", 145-3/4"
6,263'	Casing 15.5# R-55 & 17# N-80
5,400	Flow Line 3" Piberglass
	Treater (See Richards 3-1 sheet)
:	Tank (See Richards 3-1 sheet)
	Baker Anchor 5-1/3"
1	Sucker Rod Pump 2-7/3" x 1-1/2"
1	Beam Chemical Pump - Western 3/8 Piston Type LD Serial #5117
•	•
•	
: '	Richards 2-1 & Battery
	N.W. Poplar
i	
1	Lufkin Pumping Unit - C-228-D-86 Serial #D59453N-394491
1	Robbins & Meyer Electric Motor 30 HP Type NDBEWS, Frame 3650
1	3 phase 230/460/760 Volt, Serial EC7159
. 1	Cutler-Hammer Electric Control 50 HP 2/time clock re-starter CIW Tubing Head 10", 3,000 psi
i	CIW Casing Head 8-5/8" x 5-1/2" 3,000 psi
6,270	Tubing 2-7/8" EUE 8rd J-55
6,200'	Rods 72-7/8", 175-3/4"
6,802'	Casing 5-1/2" 14, 15.5 & 17# K-55 & N-80
4,000'	Flow line 2" Fiberglass
1	Malee Treater 4x20 Serial #14177ER
2	Tanks 400 Bbl Steel Welded Flat btm

· Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, . INC., as Assignes.

#### Quantity

#### Description

#### Richards 2-1 & Battery N.W. Poplar cont'd.

- Guibérson 5-1/2" Anchor
- Sucker Rod Pump 2-7/8" x 1-1/2"
- 8x10 wood frame metal covered insulated treater house
  - Western Beam Chemical Pump 3/8" Piston Type LD

Serial T 636

#### War Club #1R North Poplar

- Lufkin Pumping Unit TC-OLBR 456-DB Serial #80
  - Toshiba Electric Motor 50 HP 3-phase L406 Type TIKS
  - 3,651 frame Serial #60511719 Cutler Hammer Electrical Control - 50 hp/time clock re-start
- Rector Tubing Head 3,000 psi Series 900
- Rector Casing Read 3,000 psi Series 900 Tubing 2-7/8" EDE 8rd J-55 1
- 5,960' 5,960' :Rods 771" 79-7/6" 82-3/4"
- 5-1/2" Casing ,-6,000'
- 350' ·Plow Line 2"
- 10,447' Parkersburg Treater 4x20 Vertical Serial \$H10477
  - . 2 500 Bbls Tank - Galvanized Cone btm
    - 2 400 Bbls Steel Welded Tanks
    - 5-1/2" Guiberson Anchor
    - Sucker Rod Pump 2-7/8" x 1-1/2"
    - 24x10 wood frame metal covered insulated treater house
    - Popen 3611 GMBRV Type/Circulating Pump Serial #368013
      - Marathon 2 EP, 3 phase, 440V, Type TPR-BE 145T Frame
        - Serial #2640
    - Allen Bradley 20 HP Controller

#### War Club #2 N.W. Poplar

- Luckin Pumping Unit C-320-D-305-100
- Toshiba Electric Motor 50 EP, 3 phase, 440V, Type TIKK
  - 356T frame, Serial #D46224M
- 1 Allen Bradley Blectrical Control - 50 HP w/time clock
  - re-starter
- AGME Tubing Bead 3,000 psi Series 900
- 1 Casing Head 3,000 psi Series 900
- 2-7/8" EUE 8rd J-55 Tubing 6,110'
- 6.085
- Rods 97-7/8", 144-3/4" Casing 5-1/2" 15/5# K-55 6.260
- 1,8201 Flowline 2" Piberglass

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Attached to and made a part of that certain Assignment and Bill of Bale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

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uantity	Description					
	War Club #2					
•	N.W. Poplar cent'd.					
. 1	Malee Treater 4x30 Vertical Serial #1-7776					
2						
1	Sucker Rod. Pump 2-7/8" x 1-1/2"					
. 1	8x10 wood frame metal covered insulated treating house					
1	Roper 3611-6HRRV Type 1 Circulating Pump Serial 4387962					
1	6HP, 8 phase, 440V, Type B, Frame 18487cl698RB,					
	Serial #61198314 Bledtric Motor					
	War Club #1					
	North Poplar					
1	Rector Tubing Head 3,000 psi, Series 900					
1	Rector Casing Head 3,000 psi, Series 900					
3;600'	Tubing 2-3/8" EUE 8rd J-55 coated					
6,230'	Casing 4-1/2" 9.5# X-53					
	20'x20' cement slab					
	•					
	7(mmorman 4)					

#### zimmerman (1 N.W. Poplar

1	EMSCO Pumping Unit 160 Serial \$177
1	Toshiba Electric Motor 40 HP, 3 phase, 440V, Type TIKK
	364T frame, Serial #8-10023-22
1	Allon-Bradley Electrical Control SOHP w/time clock re-starter
1	Tubing Head Shaffer Series 900
1	Casing Head Cameron Series 900
6,130'	Tubing 2-7/8" EUE 8rd J-55
6,100'	Rods 64-7/8", 100-3/4"
6,230	Casing 7° 23# K-55
1,400'	Plow line 2" Fiberglass
1	BS4B Treater 6x20 Vertical
1	Tank 300 Btl Steel welded cone btm
1	Tank 400 Bbl Steel welded flat btm
. 1	7" Baker Anchor
1	Sucker Rod Pump 2-7/8" x 1-1/2"
1	8x10 wood frame metal covered insulated treater house

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#### "8" TIBIRKE

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignse.

		(1)	(2)	(3)
Line		Well	w. I.	NRI
No.	Well Name	Number	-	•
	Tana Annak Ban	1 - 10	12 50	10.6875 40171 NW
(1)	Long Creek Per	1-32	12.50 6.25	5.34375 42 NW
(2)	Long Creek Pee	1-33	12.50	10.6821 73
(3)	Long Crock Pec	2-5		10.6875 74
(4)	Long Creek Fee	3-32	12.50	
(5)	Long Creek Fee	3-33	12.50	10.6875 /3
(6)	Long Creek Fee	2-32	6.25	5.34375 76
( 2)	Tribal	4-10	25.00	20.3333 7001 <sup>5</sup>
(8)	Cowan Western	_	25.00	21.375 40757
(9)	Goings :	1-10	25.00	20.3333 40768
(10)	Iron Bear	12-2	25.00	19.14585 40759
/111	Reid : .		25 00	20.85417 40769
(11)		1-10	25.00	20.83417 70701
(12)	Richards	1-3	25.00	21.125 407.67
(13)	Richards	2-1	25.00	21.125 40766
(14)	War Club	IR	25.00	19.14584 40758
(15)	War Club	2	25.00	19.73957 40765
(16)	2 immerman		25.00	19.73958 45764
(17)	Buck Blk	-	100.00	87.50 45761 = 2
(18)	Cut Hair	-	100.00	87.50 40760 E. Puper
(19)	Goings Gov't.	. SWD	25.00	
(20)	Euber Devonian	5	64.7700	53.59784 40762 E
(21)	Huber Madison	4	100.00	82.75 40%63 E.
(22)	Euber Madison	i	100.00	82.75
(23)	Euber Madison	2	100.00	82.75
(24)	Huber Madison	3	100.00	82.75
-		-		

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#### EXHIBIT "C"

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Date:	Agreement	Lands:
January 1, 1975	Operating Agreement	Township 29 North, Range 50 East Section 1: Lots 1, 2, 3, 5 4, 8/2 NE/4, 3/2 NN/4, 5W/4, SE/4.
the residence	er en	Section 2: E/2 SE/4, Lots 3 & 4, S/2 NW/4, SW/4.
Hung G		Section 3: SW/4, NW/4 SE/4, Lots 1 6 2, SE/4 NB/4, E/2 SE/4.
Total service services		Section 4: SE/4 NE/4, SE/4 SE/4, N/2 SE/4, SW/4 SE/4, Lots 3 & 8.
. :		Section 5: W/2 9E/4, Lots 1, 2, 3, 4, 5 6, SW/4 NE/4, SE/4 SE/4, SE/4 NN/4.
:		Section 8: N/2 NE/4.
:		Section 9: NE/4 SE/4, SB/4.
		Section 10: SW/4, NE/4 NM/4, NW/4 NE/4, SE/4 NE/4, SE/4, NW/4 NW/4, S/2 NW/4, SW/4 NE/4, W/2 NE/4.
		Section 11: E/2 NE/4, N/2 SE/4, SW/4 NE/4, SW/4 NW/4, E/2 NW/4, SW/4 NW/4, E/2 NW/4, SW/4.
:	:	Section 12: NW/4, W/2 NE/4.
		Section 14: S/2 SW/4, N/2 NW/4, NW/4 NE/4.
: ·		Section 15: NE/4 NE/4, W/2 E/2, SW/4.
: .	· :	Township 30 North, Range 50 East Section 32: S/2 NE/4, S/2 SE/4, NE/4 NW/4.
:		Section 33: SW/4, NE/4, SW/4 NW/4.
		Section 34: NW/4.
June 23, 1977	Communitization Agreement	S/2 NE/4 Section 11-29N-50E.
June 23, 1977	Communitization Agreement	N/2 NE/4 Section 11-29N-50E.
June 23, 1977	Communitization Agreement	5W/4 NS/4 Section 11, & NW/4 NE/4 Section 14-29N-50E.
September 22, 198	2 Option Farmout Agreement	S/2 NE/4, S/2 SE/4, NE/4 SW/4 Section 32 6 NE/4, SW/4, SW/4 NW/4 Section 33-30N- 50E.
January 1, 1969	Operating Agreement	Tourship 28 North, Range 51 East Section 10: NE/4

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#### EXHIBIT "C" (Continued)

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC.,: as Assignee.

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Î.	Date:	Agreemont;	Lands:
	March 1, 1983	Option Parmout 6 Operating Agreement	E/2, SW/4 Section 32 & all Section 33-30N-50E.
	March 21, 1983	Operating Agreement	All Section 1-29N-49E.
	November 3, 1983	Operating Agreement	NH/4 SH/4 Saction 4 & N/2 NW/4, SE/4 UH/4, B/2 Section 5-29N-50E.
	November 20, 1984	Operating Agreement	Township 29 North, Range 50 East Section 2, 3, 6, 7, 8, 10 6 11: All. Section 12: Nw/4, W/2 NE/4. Section 14: W/2, W/2 NE/4, S/2 NE/4, NW/4 SE/4. Section 15 5 23: All.
		· : :	Township 30 North, Range 50 East Section 34: NW/4.
	January 16, 1984"	Amendment Letter	to Option Farmout Dated March 1, 1983.
	Pebruary 13, 1984	Amendment Letter	to November 3, 1983, Operating Agreement.
	Tebruary 6, 1985	Amendment Lêtte Agreement.	r to November 20, 1984, Operating
	June 13, 1985	Seismic Option Letter Agreement & June 19, 1985 Agreement	S/2 Section 10 & N/2 NE/4, SW/4 NE/4, W/2 SE/4 Section 15-29N-50E.
	July 7, 1984	Declaration of Pooling	Lots 1 & 2 Section 5-29N-50E Warry Track For
	May 11, 1983	Amendment Letter	to March 21, 1983 Operating Agreement.
Sec. Sec. Sec.	November 20, 1978	Letter Agreement	NE/4 Section 11-29N-50E
• •	June 21, 1985	Cormunitization Agreement	N/2 SW/4 Section 32-30N-50E.
	August 12, 1983	Communitization Agreement	5/2 NW/4 Section 33-30N-50E.
•	N1 8/14/86		·

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#### EXHIBIT "C" (Continued)

Attached to and made a part of that certain Assignment and Bill of Sale dated July 1, 1986 between GRACE PETROLEUM CORPORATION, as Assignor, and MURPHY OIL USA, INC., as Assignee.

Date:	Agreement	Lands
March 1, 1983	Option Parmout & Operating Agreement	E/2, SW/4 Section 32 & all Section 33-30N-50E.
March 21, 1983	Operating Agreement	All Section 1-29N-49E.
November 3, 1983	Operating Agreement	NW/4 SW/4 Section 4 & N/2 NW/4, SE/4 NW/4, E/2 Section 5-29N-50E.
November 20, 1984	Operating Agreement	Township 29 North, Range 50 East Section 2, 3, 6, 7, 8, 10 6 11: All. Section 12: NW/4, W/2 NE/4. Section 14: W/2, W/2 NE/4, S/2 NE/4, NW/4 SE/4. Section 15 & 23: All.
·		Township 30 North, Range 50 East Section 34: NW/4.
January 16, 1984.	Amendment Letter	to Option Parmout Dated March 1, 1983.
February 13, 1984	Amendment Letter	to November 3, 1983, Operating Agreement.
Pebruary 6, 1985	Amendment - Lette Agreement.	r to November 20, 1984, Operating
June 13, 1985		S/2 Section 10 & N/2 NE/4, SW/4 NE/4, W/2 SE/4 Section 15-29N-50E.
July 7, 1984	Declaration of Pooling	Lots 1 & 2 Section 5-29N-50E
May 11, 1983	Amendment Letter	to March 21, 1983 Operating Agreement.
November 20, 1978	Letter Agreement	NE/4 Section 11-29N-50E
June 21, 1985	Communitization Agreement	N/2 SW/4 Section 32-30N-50E.
August 12, 1983	Communitization Agreement	5/2 NW/4 Section 33-30N-50E.
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r. 33/34

State of Montana, Country of Receivable 3.

Deputy.

Pee \$150.00 pd. Murphy Oil USA, Inc. F. O. Box 547 Highway 2, Murphy Camp Poplar, Montana 59255

	***********		
COUNTY OF ROOSEVELT STATE OF MONTANA	SS. CERTIFI	Doc. No. 316229 _	
I. Helen S. Eggebrec	ht	scorder for the County of Roosevelt. State of Montana, do	
certify the attached and foregoing t	o be a full, true and correct copy o	of the original	,
ASSIGNMENT AND BILL OF S	ALE fr	OM CRACE PETROLEUM CORPORATION	
to MIRPHY OIL USA INC		as the same appears on file or of record in this	
File No Do	c. No. 316339	Book 508 of Assignment of Leases-pages 19	įŁ
Witness my hand and the se	al of said County this2nd_	Clerk and Resorder in and By Roosevelt County, Mont.	<b>-</b>

.

.

Wallace King Marraro Branson

WALLACE KING MARRARO & BRANSON, PLLC 1050 THOMAS JEFFERSON STREET, N.W. WASHINGTON, DC 20007 Phone 202.204.1000 Fax 202.204.1001

> CHRISTOPHER H. MARRARO Direct Dial 202.204.3720 cmarraro@wallaceking.com

December 20, 1999

### By Hand

Carolyn Clark Campbell
Office of the Clerk
United States Court of Appeals
for the Second Circuit
U.S. Courthouse, Room 1802
40 Foley Square
New York, NY 10007-1561

Re: W.R. Grace & Co. v. U.S. Environmental Protection Agency

Dear Ms. Campbell:

Enclosed for filing in the above-captioned case are the original and five copies of a Petition for Review, a copy of the U.S. EPA Region 8 Order to W.R. Grace, and the filing fee of \$100.00. Please file stamp the extra copy and return it in the enclosed self-addressed, stamped envelope. Applications for admission to the Court for Christopher H. Marraro and David Dorsen are also enclosed, along with a check in the amount of \$80.00 for application fees.

If you have any questions regarding this petition, please call me.

Sincerely,

( hy Folia H Yami)
Christopher H. Marraro

CHM/kdc Enclosures

cc: Service List

# IN THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

W.R. GRACE & CO. – CONN.,	)
Petitioner,	)
v.	) ) No
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,	) ) )
Respondent.	)
	)

### PETITION FOR REVIEW

PETITIONER, W.R. Grace & Co. – Conn., a Connecticut corporation ("Grace"), hereby petitions the Court pursuant to Section 1448 of the Public Health Service Act ("PHSA") as amended by the Safe Drinking Water Act, 42 U.S.C. § 300j-7(a), and Sections 701 through 705 of the Administrative Procedures Act, 5 U.S.C. §§ 701-705, to review the order issued to Grace on November 5, 1999, by the United States Environmental Protection Agency Region 8, entitled "First Amended Emergency"

Administrative Order" issued under Section 1431 of the Safe Drinking Water Act (1996)."

Dated: December 21, 1999

Of Counsel:
David Cleary
Senior Environmental Counsel
W.R. Grace & Co.
6401 Poplar Avenue
Suite 301
Memphis, TN 38119
(901) 820-2039

Respectfully submitted,

hristopher H. Marraro

David Dorsen

Wallace King Marraro & Branson 1050 Thomas Jefferson Blvd. Suite 500 Washington, DC 20007 (202) 204-1000

Attorneys for Petitioner, W.R. Grace & Co.

## **CERTIFICATE OF SERVICE**

I certify that copies of the foregoing Petition to Review was served this Aday of December, 1999, by first class mail, postage prepaid, on the following:

The Honorable Carol M. Browner Administrator U.S. Environmental Protection Agency Waterside Mall 401 M Street, S.W. Washington, DC 20460

Nathan Wiser Office of Regional Counsel U.S. Environmental Protection Agency Region 8 999 18<sup>th</sup> Street, Suite 500 Denver, CO 80202-2466

Lois Schiffer, Assistant Attorney General and Head of Environment and Natural Resources Division U.S. Department of Justice Room 2718
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Christopher H. Marraro



# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18<sup>TH</sup> STREET - SUITE 500
DENVER, CO 80202-2468
http://www.spa.gov/reglon08

Ref: SENF-T

CERTIFIED MAIL RETURN RECEIPT REQUESTED

NOV - 5 1999

W.R. Grace and Company - Conn. Prentice Hall Corporation System, Inc. P.O. Box 1691 Helena, MT 59624-1691

> RE: First Amended Emergency Administrative Order under Section 1431 of the SDWA Docket No. SDWA-8-99-58

Dear W.R. Grace and Company - Conn.:

Bnclosed is an Emergency Administrative Order issued under Section 1431 of the Safe Drinking Water Act (SDWA), 40 U.S.C. S 300i. This Order revokes and supercedes in its entirety the previously issued Order bearing the same docket number, issued on September 30, 1999. The United States Environmental Protection Agency (EPA) has taken into consideration several important issues raised during a November 1, 1999, meeting among the Respondents named in the September 30, 1999, Order and has decided to revoke and re-issue this Order. EPA believes that the most important issues brought forth during that meeting have been addressed in today's Order. Specifically, the 120-day deadline requirement to submit plans for aquifer remediation and an alternate water supply has been removed, with the expectation that there will be subsequent Orders which will address these issues when more specificity is known regarding the actual known contamination source(s) and parties responsible for the

The Order continues to be based on contamination of the ground water in and around the area of the Bast Poplar Oil Field within the boundary of the Fort Peck Indian Reservation in Roosevelt County, Montana. EPA has identified the presence of the contaminant benzene and a substantial increase in the total dissolved solids levels in the Quaternary Deposits. The presence of these contaminants in the Quarternary Deposits, an Underground Source of Drinking Water (USDW), may present an imminent and substantial endangerment to the health of local residents who drink and use this water. EPA has also determined that the Respondents of the Order, through the operations of the oil and gas production facilities in the Bast Poplar Oil Field, have caused or contributed and/or are continuing to cause and contribute to the endangerment of the USDW.

The enclosed Order sets forth the actions that you must make to, among other things, ensure that the people served by the USDW are provided with safe drinking water. The penalties for failing to comply are set forth in the Order. The Order requires that you continue to provide temporary safe drinking water to identified residences, submit well, tank, pipeline and pit information, and submit geologic and hydrologic field information. It is also anticipated that additional Orders will be issued to the parties specifically known to be responsible for the historic and/or on-going Quaternary aquifer contamination in the Bast Poplar Oil Field. In any such subsequent Order(s), BPA will, in a phased approach, require further study and/or plans for containment, diversion, or remediation of the Quaternary aquifer.

EPA strongly urges all Respondents to consider investigating their oil production-related appurtenances (i.e. oil well(s), injection well(s), tank(s), pipeline(s), pit(s)) as an activity to better refine the source(s) of contamination of the Quaternary aquifer. EPA believes that there may still be on-going contamination of the Quaternary aquifer. EPA will gladly assist such efforts in any way possible. Such investigation may include such activities as physical inspection, pressure testing, excavation, or ground water monitoring, depending on the appurtenance.

The issuance of this Order is consistent with BPA's goal of protecting human health and the environment, including working to ensure the provision of safe drinking water to the affected residents. With regard to this Order, please contact Nathan Wiser at (303) 312-6211 or write Mr. Wiser at the address provided above, mail code 8-KNF-T.

Sincerely,

Carrilly E. Meno

Connally E. Mears, Director Technical Enforcement Program Office of Enforcement, Compliance and Environmental Justice

#### Enclosure

cc: Arlyn Headdress, Chairman, Fort Peck Tribal Executive Board

Deb Madison, Assimboine and Sioux Tribes Environmental Program Manager

Doug Endreson, Tribal Counsel, Assimiboine and Sioux Tribes George Hudak, Montana Board of Oil and Gas Conservation UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION VIII 99 400 -5 AH 8: 03

IN THE MATTER OF

EFA REGION VIII HEARING CLERK

AMARCO Resources Corporation,

Marathon Oil Company,

Murphy Exploration and Production Company,

Pioneer Natural Resources USA )
Incorporated,

W.R. Grace & Company-Conn.,

Respondents

FIRST AMENDED EMERGENCY ADMINISTRATIVE ORDER

Docket No. SDWA-8-99-68

Bast Poplar Oil Field Fort Peck Indian Reservation Montana

Proceedings under Section 1431(a) of the Safe Drinking Water Act, 42 U.S.C. §300g-1(a)

## DESCRIPTION

This Order revokes and supercedes in its entirety the preceding Order Docket #SDWA-8-99-68 which was issued September 30, 1999.

## I. STATUTORY AUTHORITY

 The following Findings are made and Order issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Section 1431(a) of the Safe Drinking Water Act (the Act), 42

v . ....

Bast Poplar Oil Field Page 2 of 19

U.S.C. §300i(a). The authority to take this action has been properly delegated to the undersigned BPA program supervisors.

## II. ENFORCEMENT RESPONSIBILITY

1. RPA has primary enforcement responsibility for the Act on the Lands within the exterior boundary of the Fort Pack Indian Reservation in Roosevelt County in the State of Montana.

## III. DESCRIPTION OF RESPONDENTS

- 1. AMARCO Resources Corporation is a Texas corporation and did business in the state of Montana and therefore is a "person" within the meaning of 40 CFR \$141.2 and \$144.2 and Section 1401(12) of the Act, 42 U.S.C. §300f(12). AMARCO Resources Corp. is also using the trade name Westdale, Inc. in Texas.
- 2. Marathon Oil Company is an Ohio corporation and therefore a "person" within the meaning of 40 CFR \$141.2 and \$144.2 and Section 1401(12) of the Act, 42 U.S.C. \$300f(12). TXO Production Corp. a Delaware corporation merged with Marathon Oil Company. TXO Production Corp was a trade name for Texas Oil & Gas Corp. a Delaware corporation.
- 3. Murphy Exploration & Production Company is a Delaware corporation doing business in the State of Montana and

East Poplar Oil Field Page 3 of 19

therefore is a "person" within the meaning of 40 CFR \$141.2 and \$144.2 and Section 1401(12) of the Act, 42 U.S.C. \$300f(12).

- 4. Pioneer Natural Resources USA, Inc. is a Delaware corporation and therefore a "person" within the meaning of 40 CFR \$141.2 and \$144.2 and Section 1401(12) of the Act, 42 U.S.C. \$300f(12). Pioneer Natural Resources USA, Inc. acquired the assets of Mesa Petroleum Co. Mesa Petroleum Co. did business in the state of Montana.
- 5. W.R. Grace & Co. is a Connecticut corporation and therefore a "person" within the meaning of 40 CFR \$141.2 and \$144.2 and Section 1401(12) of the Act, 42 U.S.C. \$300f(12). Polumbus Petroleum Corporation in its marger with W.R. Grace & Co. became Grace Petroleum Corporation. Polumbus Petroleum Corporation merged with W.R. Grace & Co. a Connecticut corporation in 1976. Polumbus did business in the state of Montana.
- 6. Respondents own and/or operate or did own and/or operate oil and gas production facilities, including but not limited to oil or gas production wells, produced brine disposal wells, secondary recovery injection wells, drilled and abandoned dry holes, production and waste pits, storage tanks, oil/water separators, and distribution pipelines and pumping facilities, in portions of the East Poplar Oil Field

East Poplar Oil Field Page 4 of 19

located within Township 28 North, Range 51 East on the Fort Peck Indian Reservation in Roosevelt County in the State of Montana.

#### IV. FINDINGS

The Quaternary Deposits are the most recent geologic. 1. deposits of the Cenozoic Bra, covering approximately. the past 1.65 million years. These Quaternary Deposits in the East Poplar Oil Field area consist mainly of the Winota Gravel, Sprole Silt, glacial till; fan alluvium and colluvium, and alluvium. The : Pleistocene Wiota Gravel, Sprole Silt, glacial till, and dune sand are referred to as "glacial deposits". Lithologic logs from the monitoring wells drilled in the area show depths ranging from of 55 to 100 feet. The Pleistocene and Holocene fan alluvium and colluvium and Holocene alluvium are referred to as "alluvium" and overlie the glacial deposits in many areas with depths ranging from 20 to 56 feet. The alluvium underlies flood plain deposits. Water in Quaternary deposits east of the Poplar River generally moves westward toward the river where it merges with southward-flowing ground water in the Poplar River valley. Downward movement of water from the Quaternary deposits is not a significant problem, the underlying Bearpaw Shale is relatively impermeable and forms a confining layer.

East Poplar Oil Field Page 5 of 19

- 2. These Quaternary glacial deposits and alluvium are the sole developed source of ground water for private resident wells in and around the East Poplar Oil Field and the Poplar, Montana and tribally-owned Poplar Head Start Center public water supply systems. Depth to the water table below land surface in this area generally ranges from about 5 to 44 feet in the alluvium and 7 to 139 feet in the glacial deposits.
- 3. The Quaternary Deposits form an unconfined aquifer which contains a sufficient quantity of ground water to supply a public water system. A public water system. (PWS), as defined by 40 C.F.R. § 141.2, means a system for the provision to the public of piped water for human consumption, if such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least 60 days out of the year.
- 4. The Quaternary Deposits are an underground source of drinking water (USDW). A USDW, as defined under 40 C.F.R. § 144.3, means an aquifer or its portion which supplies any FWS or which contains a sufficient quantity of ground water to supply a public water system; and currently supplies drinking water for human consumption or contains fewer than 10,000 mg/L total dissolved solids. Past sampling from private ground water wells in the area showed total dissolved solids

East Poplar Oil Field Page 6 of 19

content ranging from 427-2,680 mg/L (as discussed in the U.S. Geological Survey study below).

- The United States Geological Survey (USGS) has 5. conducted an extensive ground water investigation of saline-water contamination in and around the East Poplar Oil Field. The USGS reviewed ground water and surface water quality data from existing private water wells, new monitoring wells, oil wells, brine-injection wells, and the Poplar River in the East Poplar Oil Field area. Additionally, the USGS completed an electromagnetic geophysical survey, by measuring the electromagnetic apparent conductivity corrected for local anomalies (wells, pipelines; etc.); over a 21.6 square mile area to assist in the delineating the extent of the saline-water contamination plumes. Uncontaminated ground-water in the area had total dissolved solids content ranging from 427-2,680 mg/L. The areas delineated by the ground water study as part of the brine contaminated plumes contained total dissolved solid levels as high as 91,100 mg/L. In July 1999, PPA took ground water samples from the wells at private homes within the area shown by the USGS study to have brine contamination. EPA found TDS levels at these homes to range from 1850 to 4890 mg/L.
- 6. BPA collected water samples at several of the home sites in the contamination area to determine if any

East Poplar Oil Field Page 7 of 19

contamination by hydrocarbons or volatile organic compounds (VOCs) was also a concern. Brine contamination plumes associated with oil and gas production operations will have remnants of hydrocarbons from the production formation. Samples taken by both EPA at the existing home sites and USGS at several monitoring wells showed benzene contamination. A sample taken at one home site had benzene contamination between 58-78 ug/L or 0.058-0.078 mg/L, while other samples taken at USGS monitoring wells in the field were between 1.58-4.86 ug/L or 0.00158-0.00486 mg/L.

- 7. Under the Primary Drinking Water Standards, the maximum contaminant level (MCL) for benzene, as set forth in 40 C.F.R. § 141.61, is 0.005 mg/L. Secondary Drinking Water Standards, as set out in 40 C.F.R. § 143.3, for dissolved-solids is 500 mg/L.
- 8. The presence and entry of benzene at levels as high as .078 mg/L in the Quaternary Deposits USDW may present an imminent and substantial endangerment to the health of persons.
- 9. Benzene is a known human carcinogen. A causal relationship between benzene exposure and leukemia has been clearly established. Benzene exposure has also been associated with cancer of the lymph system (lymphoma), lung cancer, and bladder (urothelial)

Bast Poplar Oil Field Page 8 of 19

cancer. Benzene may increase the risk of cancer in humans who are exposed at lower levels over a long period of time.

- 10. The presence and entry of dissolved-solids at levels between 10,000 and 91,100 mg/L where found in the Quaternary Deposits USDW may present an imminent and substantial endangerment to the health of persons.
- 11. Total dissolved solids in excess of 1,000-2,000 mg/L is unpalatable and will not be voluntarily consumed by individuals. If an individual has no other source of water and is forced to consume water with TDS levels over 10,000 mg/L, the adverse health effects include severe osmotic diarrhea and severe dehydration.

  Continued consumption after the onset of the above conditions may result in death.
- 12. Contaminants, including dissolved-solids and benzene are present in, entering, and are likely to continue to enter the Quaternary Deposits.
- 13. Based upon the data obtained regarding the geology in the affected area, the general direction of groundwater migration in the USDW and water quality assessments from monitoring and private wells, and review of historical land use in the area, BPA has determined that Respondents' oil production practices and/or equipment have caused or contributed and/or are continuing to cause or contribute to the endangerment

East Poplar Oil Field Page 9 of 19

of a USDW.

- 14. BPA has consulted with the Assiniboine and Sioux Tribes of the Fort Peck Reservation prior to issuing this Order. The Tribes notified BPA that they have not taken an action to protect the health of persons from the contaminants that are likely to be present in the Quaternary Deposits USDW.
- 15. To date, no governmental action has been taken to protect the health of persons from the contaminants that are likely to be present in the Quaternary Deposits USDW due to Respondents' operations of their oil production operations. The State\_of Montana, which does not have jurisdiction in this case, has been contacted by EPA. The State notified EPA that it has not taken an action and does not intend to take an action in this case.
- 16. BPA, therefore, finds that the actions ordered below are authorized under Section 1431 of the Act, 42 U.S.C. \$300(1), and are necessary in order to protect the health of persons.

### V. PURPOSE

1. The purpose of this order is to describe actions which BPA believes necessary to remove the imminent and substantial endangerment to the health of persons located within the areas described in this order. BPA

East Poplar Oil Field Page 10 of 19

believes that the actions necessary to remove the threat include, but may not be limited to, supplying permanent alternate water, identification of all the contaminant source(s), containment of the existing and on-going contaminants, and possible remediation of the existing and on-going contaminants.

2. EPA will approach the steps outlined in paragraph 1
(above) in a phased manner. Submission of the
information required under paragraphs VI(1)(B) through
VI(1)(E) of this Order is expected to provide EPA with
more certainty regarding the specific sources of the
contaminants and will allow for an opportunity under
\$1431(a) of the Safe Drinking Water Act to issue a
subsequent Order to the parties specifically found to
be responsible for the historic and/or on-going
Quaternary aquifer contamination in the East Poplar Oil
Field. EPA will focus any subsequent Order to include
only those parties who are found to have causation
clearly established with the present and/or on-going
contamination.

## VI. EMERGENCY ADMINISTRATIVE ORDER

1. Based on the foregoing findings, taking into account the imminent and substantial endangerment to the health of persons and other such matters as justice may require, as shown by the administrative record, and

East Poplar Oil Field Page 11 of 19

under authority of §1431(i) of the Act, 42 U.S.C. §300(i), Respondents are ordered to perform the following actions:

A. PROVIDE TEMPORARY SAFE DRINKING WATER SOURCE TO IDENTIFIED RESIDENCES

The Respondents shall continue to provide an alternative source of water that meets the EPA drinking water standards (40 C.F.R. Part 142) for drinking and cooking to the residences of the contaminated area. The water shall be provided in the quantity of one gallon per person per day in each residence. This water is to be provided on a regular basis in an easily accessible manner to the residence. The residences known to have contaminated water or which have drinking water which is threatened with contamination at this time are listed below and on the attached map (Attachment #1):

Current Resident	City	State	Residence Address	Sec	Twa	Rge
			·			
Kohl, Danny	Poplar	MT		15	29N	51 <b>B</b>
Lien, Birdell	Poplar	MT		20	29N	51E
Zimmerman, Bill	Poplar	MT		01	28N	518
Abbott, Joe	Poplar	MT		04	28N	51B
Kirn, Audrey	Poplar	MT		08	28N	51B
Kirn, Michael	Poplar	MT		08	28N	518
Gray Hawk,	Poplar	MT		16	28N	518
Rachel			<u> </u>			

Rast Poplar Oil Field Page 12 of 19

Trottier, Tim &	Poplar	MT		16	28N	51E
Donna			:			
Lockman, Lyle	Poplar	MT		16	28N	518
Four Bears,	Poplar	MT		17	28N	518
Charles						
Martell, Rene &	Poplar	MT		17	28N	51E
Josi		:				
Ricker Sr.,	Poplar	MT		17	28N	51B
George & Helen						
Bleazard, Ross	Poplar	MT .		29.	28N	51B:
& Laura					·	1
Whitmer, Warren	Poplar	MT		29	28N	51B
& Donna						:
Loggering,	Poplar	MT :		29	28N	51B
Mavis						
Kirn Sr., Jesse	Poplar	MT		32 ·	28N	51B
Grandchamp,	Poplar	MI		<b>3</b> 3, ·	28N .	51B
Denise						
Grainger,	Poplar .	MT		33	28N .	51B
Trivian				_		
Grainger, Iva	Poplar	MT		15	29N	51B
Ranf, Marie and	Poplar	MT		13	28N	518
Corne, Warren						

There may be a need to supply domestic water to additional residents, including other residents or locations drawing domestic water from the Quaternary

East Poplar Oil Field Page 13 of 19

aquifer. Respondents, upon notification by BPA, shall deliver this water until such time as the local water source has been deemed by BPA as safe for consumptive use or a permanent alternative source of water is provided.

PREPARE AND SUBMIT WELL INFORMATION The Respondents shall provide a historical record for each well listed and any other wells drilled, completed, reworked, converted, operated or plugged by Respondents within the sections of Township 28N and Range 51E, Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24. As information becomes available to Respondents, each Respondent shall submit the information to the EPA. At the latest, all information required from all Respondents shall be submitted by March 31, 2000. Attached is a list of wells known by Section, Township, and Range, and by company, for which, at a minimum, the Respondents must provide the well information listed below (Attachment #2). The drilling, construction, well rework, conversion, plugging and other pertinent records submitted shall include but not be limited to the information listed below. In each case service company records associated with each well activity shall be included. Respondents shall include information on each instance of well integrity failures, that involved

Bast Poplar Oil Field Page 14 of 19

> casing leaks, flow behind the casing and/or any fluids surfacing at or near the wellheads. Respondents shall include information listed below:

Well Name and API Identification Number

Well location 2.

- Current well status for each well.
  - a. Active, Shut-in, Temporarily Abandoned, Plugged
- Well Construction Information
  - a. Date Well Drilled
  - b. Date Well Completed
  - c. Total Depth
  - d. Plug Back Depth
  - e. Drilling Record
  - f. Completion Record (include diagram)
  - g. Cementing Record (including estimated cement tops with assumptions for calculations and cement bond logs)
- 5. Well Rework Information
  - a. Date of Well Rework
  - b. Reason for Rework (If due to casing leak, location of leak if known)
  - c. Records of Well Logs and Tests Performed
  - d. Record of Rework
  - e. Date Well Recommenced Injection or Production
- ·6. Temporarily Abandoned (TA) or Shut-in Wells Information
  - a. Date(s) Well Shut-in or TA
  - b. Reason for TA or Shut-in of Well
  - c. Was Well Shut-in or TA'd With the Equipment in the Well?
  - d. If Not, What Equipment Was Removed and When, Provide a Record of Work if Possible
  - e. Is the Well Capable of Resuming Injection or Production Without a Rework?
- 7. Well Conversion Information
  - a. Date(s) Well Converted from Production to Injection:
  - b. Date(s) Well Converted from Injection to Production
  - c. Record of Conversion Activity
- 8. Plugging and Abandonment Information
  - a. Plug and Abandonment Plan
  - b. Plugging Record
  - c. Were Any Problems Experienced During the Plugging Process, Involving Such Things as Pulling of Equipment, Setting Plugs, Water Flow to Surface?

Bast Poplar Oil Field Page 15 of 19

- C. FREPARE AND SUBMIT TANK AND PIPELINE INFORMATION
  Respondents shall provide information on all current
  and past tanks, associated tank battery equipment,
  oil/water separators, and pipelines used in the East
  Poplar Oil Field for the production of oil and gas in
  the township, range, and sections listed Paragraph
  VI(1)(B) above, including but not limited to: Tank
  Batteries 8-D, 80-D, South Central, A, C, D, P, G, H,
  K, and R. As information becomes available to
  Respondents, each Respondent shall submit the
  information to the BPA. At the latest, all information
  required from all Respondents shall be submitted by
  March 31, 2000. Respondents shall provide the
  information listed below:
  - 1. Location of tank
  - 2. Tank size and construction
- .3. Duration of tank use
- 4. Information on leaking tank bottoms or any other type of tank integrity failure(s)
- 5. Information on spill incidents at or near the tanks and tank batteries, including those from unloading transport trucks into the tanks.
- Location of all pipelines (identify as surface or subsurface)
- 7. Information on any leaks or spills from pipelines leading to and from the tanks and wells
- 8. Information on pipeline failures on the surface and subsurface.
- D. PROVIDE INFORMATION ON PIT(S) USED IN THE PRODUCTION OF OIL OR GAS

Respondents shall provide information on all current and abandoned pits used for well construction, oil and gas production, well workovers, product and waste

Bast Poplar Oil Field Page 16 of 19

storage, evaporation and disposal of fluid products and wastes in the sections listed for in the East Poplar Oil Field for the production of oil and gas in the township, range, and sections listed in Paragraph VI(1)(B) above. As information becomes available to Respondents, each Respondent shall submit the information to the EPA. At the latest, all information required from all Respondents shall be submitted by March 31, 2000.

Respondents shall include information on the construction for each pit, date pit constructed, duration of pit use, for what the pit was used, types of wastes placed in the pit, and, if abandoned, record of abandonment.

E. PROVIDE GEOLOGIC AND HYDROLOGIC FIELD INFORMATION Respondents shall provide a formation depth cross section for the portion of the field drilled, constructed, operated, and/or plugged well(s) by each Respondent. Respondents shall provide information on all formations found to contain water above the injection or production formation being used by their wells. Respondents shall provide information on formation pressures for production and/or injection formations, over a time line from well construction to well plugging. As information becomes available to Respondents, each Respondent shall submit the

Bast Poplar Oil Field. Page 17 of 19

information to the BPA. At the latest, all information required from all Respondents shall be submitted by March 31, 2000.

2. Unless otherwise specified, all reports and notifications herein required shall be submitted to:

Nathan Wiser
U.S. Environmental Protection Agency
Office of Enforcement, Compliance
and Environmental Justice
Technical Enforcement Program (8ENP-T)
999 18th Street, Suite 500
Denver, Colorado 80202-2466
Telephone (303) 312-6211

## VII: GENERAL PROVISIONS

- binding upon Respondents, their officers, directors, agents, successors and assigns. Notice of this Order shall be given to any successors in interest prior to transfer of any of the oil and gas facilities or their operation. Action or inaction of any persons, firms, contractors, employees, agents, or corporations acting under, through or for Respondents, shall not excuse any failure of Respondents to fully perform their obligations under this Order.
- 2. This Order does not constitute a waiver, suspension, or modification of the requirements of any federal statute, regulation, or condition of any permit issued thereunder, including the requirements of the Safe

Bast Poplar Oil Field Page 18 of 19

Drinking Water Act, which remain in full force and effect. Issuance of this Order is not a waiver by EPA to forgo any additional administrative, civil, or criminal action(s) otherwise authorized under the Act.

- Respondents to an administrative civil penalty of up to \$15,000 for each day in which such violation occurs or failure to comply continues pursuant to \$1431(b) of the Act, 42 U.S.C. §300i(b). In addition, actions or omissions which violate any requirements of the SDWA or its implementing regulations may subject Respondents to a civil penalty of not more than \$27,500 per day per violation pursuant to \$1423 of the Act, 42 U.S.C. §300h-2.
- 4. This Emergency Administrative Order is a final agency action by EPA.
- 5. This Emergency Administrative Order is binding on all Respondents, and each Respondent is jointly and severally liable hereunder.

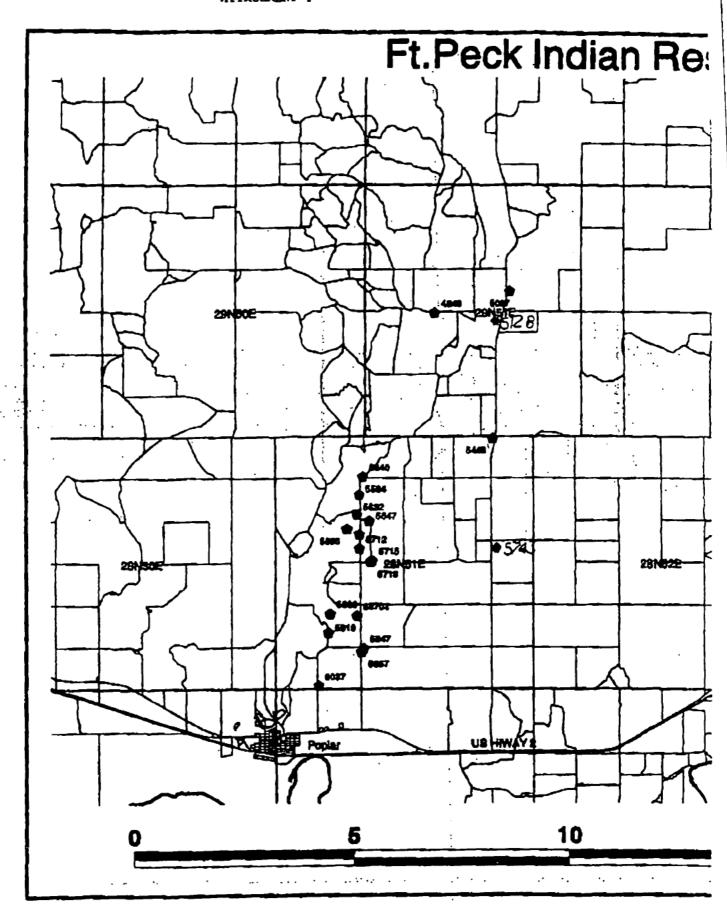
East Poplar Oil Field Page 19 of 19

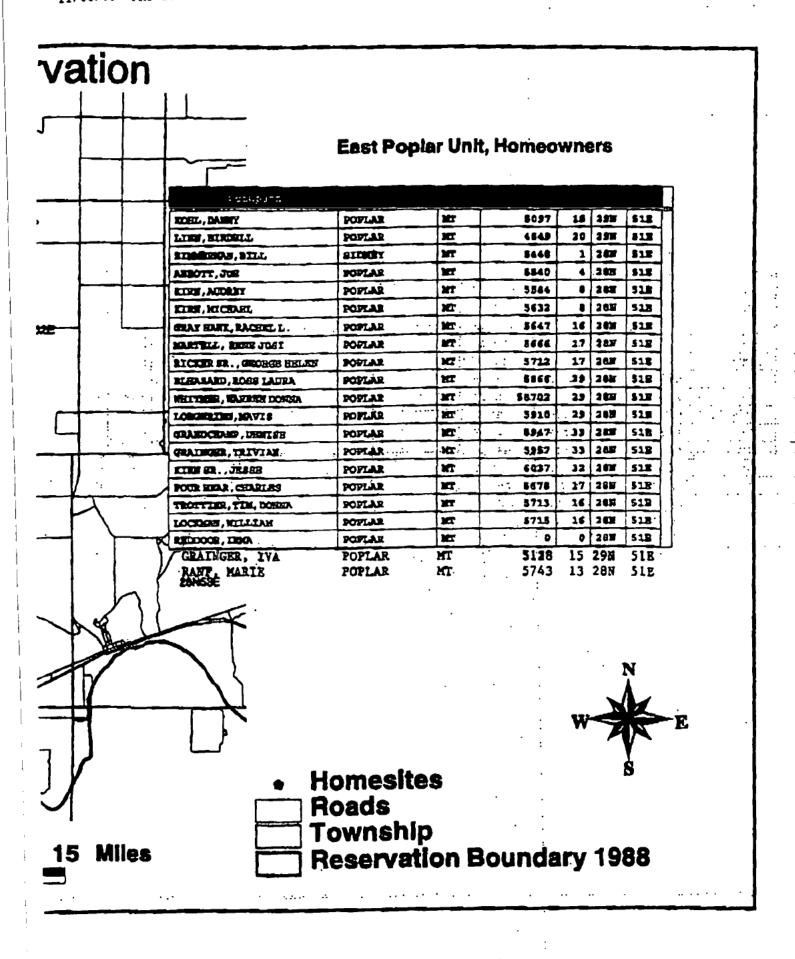
> The effective date of this Order shall be the date of issuance.

Come & James

Connally E. Mears, Director
Technical Enforcement Program
Office of Enforcement, Compliance,
and Environmental Justice
United States Environmental Protection
Agency, Region 8

Michael T. Risner, Director
David J. Manik, Supervisory Attorney
Legal Enforcement Program
Office of Enforcement, Compliance,
and Environmental Justice
United States Environmental Protection
Agency, Region 8





#### ATTACEMENT 2

## WELL LIST BY COMPANY

Murphy 011 Corporation

Murphy Oil USA, Inc.

Murphy Exploration & Production Company

Provide the information required above for those wells listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Poplar Oil Field Hear Poplar, Montana in T28H R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

LOCATION	WELL HAME
Sec 1 T28W R51R	
C SM MM	Murphy 3
C SW NE	Murphy 99
ne se	Murphy 76
Sec 2 T28N R51E	
SW NB	Murphy 1
C SB YM	Murphy 18 Also known as: Zimmerman EPU #18 or the 7-B Well
en ne	Murphy 2-D Also known as: EPU 2-D
8B 8B	Simmerman BPU 116 - New Well
C SW SW	Simmerman BRU #5 Also known as Murphy #5 or the 7-A Well
C SE SE	Murphy 17
Sec 3 T28N R51E	
BW NW	Murphy 80-D Also known as: Tribal Unit #80-D
	Murphy 82
C SW 8E	Murphy 12

C SE SE	Murphy 14
SEC 4 T26N R51E	
SM NM	Murphy 59-D
C SM ME	Murphy 45
Sec 9 T28N R51E	
SE NE	Murphy 67
Sec 10. 7289 R513	
NH NH	Murphy 11
NW NB	Polumbus (Ruber) 4
NW NE (50 feet east of Ruber #4)	Polumbus (Huber) 4-A
NB	Polumbus (Ruber) 1-W
NE NE	Polumbus (Ruber) 3
BE NW	Murphy 13
SW NE	Polumbus (Huber) 2
SE EN NB	Murphy : 5
SW NW	Polumbus (Ruber) 1
C MM 8B	Murphy 8-D
E SW NB	(Murphy) Huber 5 8WD Previously known as the Huber 5 (Production)
NE SE	Murphy 6
Sec. 11 T26N R51R	
NWIW	Murphy 15
SW NN	Murphy 7 also known as BPU #7
SW NB	Murphy 68
C SW SW	Murphy 9
SW SE	Murphy 100
Sec. 12 T28N R51E	
SW SW	Murphy 24
SW NB	Murphy 61

Sec. 13 728N R51E	
SB SW	Murphy 74
Sec. 14 T28W R51B	
C NW	Murphy 101 Also called the Tribal 101
SW SW NE	Murphy 20 Also called the Unit 20
SN SB	Murphy 104 Also called the Tribal 104
ew sw ew	Murphy 22 Also known as the Tribal Unit 22 and EFU 32
Sec. 15 T28N R51E	Security of the second
C SW NE	Murphy 32 Also known as EPU32
Bec. 22 T28M R51B	EPU32
C NW NB	TXO -1 Also known as Buckles "B" #1
NW SE NW	Buckles SWD #1
	Also known as TXO-SWD-1
C SE NW	Buckles A-1
SM SB	Tribal Unit #72 Also known as Murphy 72
Sec. 23 T28W R51R	
C SM NB	Murphy 26 (Also known as Fed. Unit #26)
C NW BW	Fed. Unit 55 Also known as Murphy 55

NE NE SW Sec. 24 T28N R51B	Fed. Unit 3-G Also known as Murphy 3-G
SH SH	
Sec. 27 T28N R51E	Murphy 44
C SW MB	Pederal unit #63 Also known as EPU 63 or Murphy 63

## Pioneer Matural Resources Company

for Mesa Petroleum Co.

Provide the information required above for those well(s) listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Poplar Oil Field Near Poplar, Montana in T28M R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

(Respondent must also provide information on the relief well drilled near the Mesa Biere 1-22. Respondent must submit information on its location, depth, type of use, duration of use, and the plugging records.)

Sec. 22 T28M R51B	
C MW EW	Biere 1-22 Also know as: Mesa Biere 1-22
WE WIN WE	Biere 1-W SWD Also known as: Mesa 1-W(Biere)

## AMARCO Resources Company

Provide the information required above for those well(s) listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Poplar Oil Field Hear Poplar, Montana in T28M R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

(Respondent must also provide information on the relief well drilled near the Mesa Biere 1-22. Respondent must submit information on its location, depth, type of use, duration of use, and the plugging records.)

Sec. 22 T28N R51R				
C HW SW	Biere 1-22 Also known as: Mesa Biere 1-22			
Sec. 27 T28N E51E				
C BM NM	Federal 1-27 -Also known as: AMARCO Schmidt			

W.E. Grace & Co.-Conn.

For: Polumbus Corporation/Polumbus Company .

Provide the information required above for those well(s) listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Poplar Oil Field Near Poplar, Montana in T28N R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

Sec. 10 T28M R51E	
NW NB	Polumbus (Huber) 4
NW NB (50 east of Polumbus 4)	Polumbus (Ruber) 4-A
NB	Polumbus (Huber) 1-W
NB NB	Polumbus (Huber) 3
SB NW	Polumbus 13 Also known as: Murphy 13
SW NB	Polumbus (Huber) 2
SB SW NB	Polumbus 5 Also known as: Murphy 5
B SW NE	Huber 5 SND Known as: Murphy 5 SWD Huber 5 Production well
SE NE SE	Grace 110x Also known as: EPU 110x-D

Marathon Oil Company

For: Texas Oil & Gas Corp.
Trade name TXO Production Corp.

Provide the information required above for those well(s) listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Foplar Oil Field Hear Poplar, Montana in T28N R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

Sec. 22 T28# R51#	
C NW NB	TXO -1 Also known as Buckles "B" #1
nm 88 nm	Buckles SWD #1 Also known as TXO-SWD-1
C 83 NW	Buckles A-1

#### BPEC-Altemont Corporation

For: Tenneco Oil Company Inc./ Tenneco-Altamont Corporation

Provide the information required above for those well(s) listed below and all other wells constructed, operated, or plugged in the sections listed below:

East Poplar Oil Field Near Poplar, Montana in T28N R51E Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, and 24.

Sec. 25 T28H R51E	
NA SA ME	Tenneco 1 Also known as G. Morse #1

#### CERTIFICATE OF SERVICE Docket No. SDWA-8-99-68

I hereby certify that the original and a true copy of the Emergency Administrative Order was hand-carried to the Regional Hearing Clerk, EPA Region VIII, 999 18<sup>th</sup> Street, Denver, Colorado, and that a true copy of the same was sent via Certified Mail Return Receipt Requested mail to:

AMARCO Resources Corporation S.O.S. 2920 One Main Place Dallas, TX 75250

W.R. Grace and Company - Conn.
Prentice Hall Corporation System, Inc.
P.O. Box 1691
Helena, MT 59624-1691

Marathon Oil Company CT Corporation System 40 West Lawrence, Suite A Helena, MT 59624-1166

Murphy Exploration and Production Company
CT Corporation System
40 West Lawrence, Suite A
P.O. Box 1166
Helena, MT 59624-1166

Pioneer Natural Resources USA, Inc. CT Corporation System 40 West Lawrence, Suite A Helena, MT 59624-1166

Dated: November 5, 1999

By: Oudith Mc Ternan

# IN THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

W.R. GRACE & CO. – CONN.,

Petitioner,

V.

No. 91- 4223

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY,

Respondent.

## PETITION FOR REVIEW

PETITIONER, W.R. Grace & Co. – Conn., a Connecticut corporation ("Grace"), hereby petitions the Court pursuant to Section 1448 of the Public Health Service Act ("PHSA") as amended by the Safe Drinking Water Act, 42 U.S.C. § 300j-7(a), and Sections 701 through 705 of the Administrative Procedures Act, 5 U.S.C. §§ 701-705, to review the order issued to Grace on November 5, 1999, by the United States Environmental Protection Agency Region 8, entitled "First Amended Emergency

Wallace King Mariaro Branson Wallace King Marraro & Branson, Pllc 1050 Thomas Jefferson Street, N.W. Washington, DC 20007

> Phone 202.204.1000 Fax 202.204.1001

CHRISTOPHER H. MARRARO Direct Dial 202.204.3720 cmarraro@wallaceking.com

December 20, 1999

#### By Hand

Carolyn Clark Campbell
Office of the Clerk
United States Court of Appeals
for the Second Circuit
U.S. Courthouse, Room 1802
40 Foley Square
New York, NY 10007-1561

Re: W.R. Grace & Co. v. U.S. Environmental Protection Agency

Dear Ms. Campbell:

Enclosed for filing in the above-captioned case are the original and five copies of a Petition for Review, a copy of the U.S. EPA Region 8 Order to W.R. Grace, and the filing fee of \$100.00. Please file stamp the extra copy and return it in the enclosed self-addressed, stamped envelope. Applications for admission to the Court for Christopher H. Marraro and David Dorsen are also enclosed, along with a check in the amount of \$80.00 for application fees.

If you have any questions regarding this petition, please call me.

Sincerely,

Christopher H. Marraro

CHM/kdc Enclosures

cc: Service List

Received Office of Enforcement

DEC 27 1999

Compliance & Env. Justice

#### **CERTIFICATE OF SERVICE**

I certify that copies of the foregoing Petition to Review was served this 2 day of December, 1999, by first class mail, postage prepaid, on the following:

The Honorable Carol M. Browner Administrator U.S. Environmental Protection Agency Waterside Mall 401 M Street, S.W. Washington, DC 20460

Nathan Wiser
Office of Regional Counsel
U.S. Environmental Protection Agency
Region 8
999 18<sup>th</sup> Street, Suite 500
Denver, CO 80202-2466

Lois Schiffer, Assistant Attorney General and Head of Environment and Natural Resources Division U.S. Department of Justice Room 2718

950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Christopher H. Marraro

## Administrative Order" issued under Section 1431 of the Safe Drinking Water Act

(1996)."

Dated: December 21, 1999

Of Counsel: David Cleary Senior Environmental Counsel W.R. Grace & Co. 6401 Poplar Avenue Suite 301 Memphis, TN 38119 (901) 820-2039

Respectfully submitted,

Christopher H. Marrar David Dorsen

Wallace King Marraro & Branson 1050 Thomas Jefferson Blvd. Suite 500

Washington, DC 20007 (202) 204-1000

Attorneys for Petitioner, W.R. Grace & Co.

#### **UNITED STATES COURT OF APPEALS**

FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

KAREN GREVE MILTON ACTING CLERK

Date: December 22, 1999

To:

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

Re: W.R.Grace & Co v. EPA

USCA Docket No: 99-4223 AGENCY No: SDWA-8-99-68

Dear Counsel:

Please be advised that a petition to review an order of the EPA been filed in this court.

A copy of the petition is enclosed herewith.

Please acknowledge receipt of the copy of the petition on the copy of this letter also enclosed herewith and return to me.

KAREN GREVE MILTON, Acting Clerk

By:
Donna J. Morgan-Steele
Deputy Clerk, USCA

Enclosures

#### UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

KAREN GREVE MILTON ACTING CLERK

## Docketing Letter - Agency Petition For Review

DATE: December 22, 1999

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

Re: 99-4223 W.R.Grace & Co v. EPA

Agency No: SDWA-8-99-68

Deputy Clerk: Donna J. Morgan-Steele Telephone: (212) 857-8544

#### Dear Counsel:

We have today docketed a petition for review filed by Petitioner W.R.Grace & Co. Conn in the above referenced case as docket number 99-4223. This docket number must appear on all documents related to this case which are submitted to this Court. Enclosed are a copy of our docket sheet including the caption page, and instructions regarding the filing and processing of an appeal in this Court. Also enclosed is an acknowledgement letter. Please return the enclosed acknowledgement within ten days of the date of this letter with the following information:

YOUR CORRECT ADDRESS AND TELEPHONE NUMBER: Please check the enclose attorney listing page of the docket sheet and advise this Court of any incorrect information in writing on the enclosed acknowledgement form. THE COURT WILL GIVE NOTICE OF SERVE COPIES OR ORDERS TO ONLY ONE COUNSEL PER PARTY (OR GROUP OF COLLECTIVELY REPRESENTED PARTIES.) COUNSEL ARE REQUIRED TO DESIGNATE ON THE ATTACHED ACKNOWLEGDEMENT LETTER A LEAD ATTORNEY TO ACCEPT ALL NOTICE FROM THIS COURT IN THIS APPEAL, WHO WILL, IN TURN, BE RESPONSIBLE FOR NOTIFYING ANY ASSOCIATED COUNSEL.

<u>CAPTION:</u> Attached is the full caption in this matter. Please review this attachment carefully and promptly advise this Court

of any discrepancies in writing on the enclosed acknowledgement form.

APPELLATE DESIGNATIONS: Please review whether your client is correctly listed as petitioner or respondent in the party listing page of the docket sheet and in the caption. Should you believe there is an error, please advise in writing on the acknowledgment form. Timely submission of the acknowledgment form will be constituted as compliance with the requirement to file a Representation Statement set forth in Rule 12(b) of the Federal Rules of Appellate Procedure.

Please read the enclosed instructions. If you have any questions with regard to this pending appeal, please call the Deputy Clerk whose name is given above.

Sincerely,

KAREN GREVE MILTON, ACTING CLERK

Enclosures:

USCA Docket Sheet, including Caption Page

Instructions

Acknowledgement Form

## **ACKNOWLEDGEMENT LETTER - AGENCY CASE**

Return this letter to Court within 10 days of date of docketing letter.

Re: 99-4223 W.R.Grace & Co v. EPA

Dear Donna J. Morgan-Steele , Deputy Clerk:			
This is to acknowledge receipt of your docketing letter in the above case. I acknowledge that I am the (Lead) attorney of record for:			
My <b>NAME</b> ,	ADDRESS and PH	ONE NUMBER on your court records is:	
	Incorrect.	Please amend your record as follows:	
9	Name: Firm: Address:		
	Telephone:		
The CAPTI	ION as indicate	d is:	
_	Correct.		
_	Incorrect.	See attached caption page WITH CORRECTIONS.	
The APPEI client is		ON (Petitioner or Respondent) assigned to my	
_	_ Correct. ·		
_	Incorrect.	My client(s):	
		Should be listed as:	
-	Incorrect.	My clients do not wish to participate in this appeal.	
I have read the instructions enclosed with the docketing letter.			
		Sincerely,	
	_	(Signature)	
agrvwdkt_	_trm		

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

Office of Enforcement

DEC 'Z " 13." '

Compliance & Env. Justice

INDIV FS

4

### GENERAL DOCKET FOR Second Circuit Court of Appeals

Court of Appeals Docket #: 99-4223 Nsuit: 0 W.R.Grace & Co v. EPA Appeal from: Environmental Protection Agency	F11ed: 12/20/99
Case type information: 1) Agency 2) petition for review 3) none	
Lower court information:	
District: 0090-01: SDWA-8-99-68 Date Filed: **/**/** Date order/judgment: **/**/ Date NOA filed: **/**/**	
Fee status: paid	,
Prior cases: None Current cases: None	· · · · · · · · · · · · · · · ·
Panel Assignment:	. • • • -
	. <b></b>

Proceedings include all events. 99-4223 W.R.Grace & Co v. EPA

W.R. GRACE & CO. CONN. Petitioner Christopher H. Marraro, Esq. 202-204-1000
Suite 500
[COR LD NTC ret]
David Dorsen, Esq. 202-204-1000
Suite 500
[COR LD NTC ret]
Wallace, King, Marraro & Marraro 1050 Thomas Jafferson Blvd Washington, DC 20007

v.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY Respondent

Lois J. Schiffer, Esq. 202-514-1442 [COR LD NTC ret] U.S. Dept. of Justice Environment & Natural Resources Division 10th & Pennsylvania Ave., NW Washington, DC 20530

Nathan Wiser
Suite 500
[COR LD NTC ret]
Office of Regional Counsel
U.S. Environmental Protection
Agency
999 18th Street
Region 8
Denver, CO 80202-2466

Proceedings include all events. 99-4223 W.R.Grace & Co v. EPA

Official Caption 1/

Docket No. [s]: 99-4223

W.R. GRACE & CO. CONN.

Petitioner,

v.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,

Respondent.

Authorized Abbreviated Caption 2/ Docket No. [s]: 99-4223

W.R. GRACE & CO. CONN v EPA

\_\_\_\_\_\_

1/ Fed. R. App. P. Rule 12 [a] and 32 [a]. 2/ For use on correspondence and motions only.

Proceedings include all events. 99-4223 W.R.Grace & Co v. EPA

12/20/99	Case Docketed: Petition for review of agency order on behalf of Petitioner W.R. Grace & Co. Con filed. [99-4223] (ag40)
12/20/99	Copy of agency EPA decision and order filed. (ag40)
12/20/99	Copy of receipt re: payment of docketing fee filed on behalf of Petitioner W.R. Grace & Co. Con. Receipt #: 161426. [99-4223] (ag40)
12/20/99	Served copy of petition under cover letter on respondent. (ag40)



### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460

.IAN 7 2000

OFFICE OF GENERAL COUNSEL

#### **MEMORANDUM**

SUBJECT:

Safe Drinking Water Act Appeal--W.R. Grace & Co. v. U.S. Environmental

Protection Agency, (2nd Circuit)

FROM:

Susan G. Lepow ( ) Associate General Counsel Water Law Office (2355A)

TO:

Steven A. Herman

Assistant Administrator for Enforcement and Compliance Assurance (2201A)

J. Charles Fox

Assistant Administrator for Water (4101)

William P. Yellowtail, Jr. Regional Administrator

Region 8

On December 20, 1999, W.R. Grace & Co. (Grace) petitioned the U.S. Court of Appeals for the Second Circuit for review of an EPA "imminent and substantial endangerment" emergency order under section 1431 of the Safe Drinking Water Act (SDWA). The order, issued to a number of oil and gas exploration and production companies including Grace, revokes and supersedes an earlier order, issued September 30, 1999. The order addresses issues concerning the contamination of the Quaternary Deposits, an Underground Source of Drinking Water (USDW), around the area of the East Poplar Oil Field within the Fort Peck Indian Reservation. EPA has determined that Grace's operation of oil and gas production facilities in this area has caused and contributed to an endangerment of the USDW. The order requires Grace to provide temporary safe drinking water to identified residences, submit well, tank pipeline and pit information and submit geologic and hydrologic field information.

> Received Office of Enforcement

> > JAN 11 2000

Compliance & Env. Justice



We have assigned this case to Richard Witt at (202-564-5496). He will be working with the Office of Regional Counsel attorney responsible for the underlying matter, Jim Eppers (303-312-6893).

#### Attachments

cc: Cynthia Dougherty (4601)
Bill Diamond (4606)
Eric Schaeffer (2241A)
Brian Maas (2243A)
Betsy Devlin (2243A)
Tom Speicher, Region 8
Nathan Wiser, Region 8
Jim Eppers, Region 8



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Wiser, 8ENFT

REGION 8

999 18<sup>TH</sup> STREET - SUITE 500 DENVER, CO 80202-2466 http://www.epa.gov/region08

JAN 1 1 2000

Ref: ENF-L

#### **MEMORANDUM**

SUBJECT: Petition For Review Filed By W.R. Grace & Co. - Conn of First Amended

Emergency Administrative Order under Section 1431 of the SDWA (Docket No

SDWA-8-99-68

FROM:

Michael T. Risner michael T. Chanes

Director, Legal Enforcement Program

Office of Enforcement, Compliance and Environmental Justice

Thomas A. Speicher

Regional Counsel

Office of Regional Counse

TO:

Eric V. Schaeffer

Director

Office of Regulatory Enforcement (ORE)

Susan G. Lepow

Assistant General Counsel

Office of General Counsel (OGC)

The purpose of this memorandum is to inform you that W.R. Grace & Co. - Conn (Grace) filed on December 20, 1999, a Petition to Review the subject order in the United States Court of Appeals for the Second Circuit (New York). Attached hereto are copies of Grace's petition, Region 8's Emergency Order dated November 5, 1999, and letters and an acknowledgment form from the Court's Acting Clerk..

EPA's SDWA (Section 1431) Emergency Order that is being appealed is based on contamination of ground water in and around the East Poplar Oil Field which is near the Town of Poplar, MT. The oil field and contaminated areas are both within the exterior boundary of the Fort Peck Indian Reservation, home of the Assiniboine and Sioux Tribes. The Tribes are pleased that EPA took the action and have been and continue to be a significant help to EPA in this matter.

EPA identified the presence of benzene and a significant increase in the total dissolved solids levels in the Quaternary Deposits which is an Underground Source of Drinking Water

(USDW) and those contaminants may present an imminent and substantial endangerment to the health of local residents who drink and use the contaminated water. EPA also determined that the operations of the oil and gas production facilities in the East Poplar Oil Field have caused or contributed and/or are continuing to cause or contribute to the endangerment of the USDW. In a nutshell, the Order requires Grace and four other oil companies to provide temporary safe drinking water to identified residences and to submit information about the companies' operations, including, but not limited to wells, tanks, pipelines and pits. Additionally, geologic and hydrologic field information is required to be submitted by the companies.

Our information is that Grace is the only company which appealed the order. Copies of Grace's Petition to Review were served on EPA's Carol Browner and the Department of Justice's Lois Schiffer. Chris Vaden of the Department of Justice was contacted by Region 8 enforcement attorney Jim Eppers on Friday January 7, 2000. Mr. Eppers briefed Mr. Vaden, already in possession of a copy of the petition package through Ms. Schiffer, on further details of the case and requested that DOJ's Eve Wilkerson-Baron be assigned to this case. Ms. Wilkerson-Baron defended EPA in the Trinity case and currently is defending EPA in another SDWA §1431 Emergency Order (Region 5) appeal filed by Grace.

#### Attachments

cc: Jim Eppers 8ENF-L
David Janik 8ENF-L
Nathan Wiser 8ENF-T
Steven Moores 8RC

#### UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

KAREN GREVE MILTON ACTING CLERK



AGENCY#: SDWA-8-99-68

AGENCY: EPA

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 26 day of January two thousand

W.R.Grace & Co

EPA

JAN 26 2000

SECOND CIRCUIT

Docket No. 99-4223

The Civil Appeals Management Plan of this Court directs that within ten (10) days after filing a Petition for Review or Application for Enforcement of an agency order, the Petitioner shall file and serve a Pre-Argument Statement Form (Form C/A), pay the docketing fee, and, that in the event of default of either of these requirements, the Clerk may dismiss the petition/application without further notice.

The Petitioner herein, having not so proceeded, Upon consideration thereof, it is ORDERED that the Petition for Review/Application for Enforcement of an order of the above entitled matter be, and it hereby is DISMISSED.

A TRUE COPY

han gerehitete

KAREN GREVE MILTON, Acting Clerk

Donna J. Morgan-Sceele Deputy Clerk, USCA

ISSUED AS MANDATE:

JAN 26 2000

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

-----

Wallace King Marraro Branson WALLACE KING MARRARO & BRANSON, PLLC 1050 THOMAS JEFFERSON STREET, N.W. WASHINGTON, DC 20007 Phone 202.204.1000

Phone 202.204.1000 Fax 202.204.1001

Christopher-H. Marraro Direct Dial 202.204.3720 cmarraro@wallaceking.com

February 2, 2000

#### By Federal Express

Ms. Donna J. Morgan-Steele Deputy Clerk United States Court of Appeals for the Second Circuit U.S. Courthouse, Room 1802 40 Foley Square New York, NY 10007-1561

Re:

W.R. Grace & Co.-Conn. v. U.S. Environmental Protection Agency

Docket #99-4223

Dear Ms. Campbell:

Enclosed for filing in the above-captioned case are the original and five copies of a Motion for Reinstatement of Appeal, together with the Declaration of Christopher H. Marraro, and completed Pre-Argument Statement. Please file stamp one copy and return in the addressed and stamped envelope.

If you have any questions, please call me at (202) 204-3720.

Sincerely,

Christopher H. Marraro

CHM/kdc Enclosures

cc: Service List

## UNITED STATES COURT OF APPLALS

Received Office of Enforcement

FOR THE SECOND CIRCUIT

[For the Second Circuit]

[For the Second Circ

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MOTION BY: (Name, address and of attorney in Christopher H. Marraro	and tel, no. of law firm charge of case)			EL: (Name, address ar and of attorney in c		
Wallace King Marraro & 1050 Thomas Jefferson	Branson PLLC	Ŭ.	ristopher Vac S. Department	t of Justice		
1050 Thomas Jefferson Washington, D.C. 2000	St., N.W.	· PO	Box 23986		(202) 51/ //20	
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A. been sought?	□X Yes □ No	•		_ MIDAL	•	
B. been obtained?	☐ Yes ☒ No	Has	request for relief	been made below?	☐ Yes ☐ No	
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B. by firm date/argument noti		Wil	l the parties agree	to maintain the		
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## IN THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

	)	
W.R. GRACE & CO. – CONN.,	)	
Petitioner,	)	
v.	) )	No. 99-4223
UNITED STATES ENVIRONMENTAL	ý	
PROTECTION AGENCY,	)	
Respondent.	) ) )	
	)	

# DECLARATION OF CHRISTOPHER H. MARRARO IN SUPPORT OF MOTION FOR REINSTATEMENT OF APPEAL

Christopher H. Marraro, under penalty of perjury, declares as follows:

- I am a member of the law firm of Wallace King Marraro & Branson, PLLC, counsel for Petitioner W.R. Grace & Co.-Conn. ("Grace") in this appeal.
- 2. On December 20, 1999, I filed a Notice of Appeal in the Second Circuit Court of Appeal on behalf of Grace. The appeal challenges an Order of the U.S. Environmental Protection Agency ("EPA"), which was issued to Grace on November 5, 1999.
- 3. The Notice of Appeal was timely filed with this Court in accordance with the "Judicial Review" provisions of the Safe Drinking Water Act ("SDWA"), 42 U.S.C. § 300j. The "Judicial Review" provisions of the SDWA require

that appeals of such orders be filed in the Circuit Court of Appeals within 45-days of the final Agency action.

- 4. At the time the Notice of Appeal was filed, no member of this firm was admitted to practice before the Second Circuit Court of Appeals. An Application for Admission to Practice before this Court accompanied the Notice of Appeal. My Application for Admission is currently pending before this Court.
- 5. Because no member of the firm was admitted to practice before the Second Circuit Court of Appeals, I spoke with the Office of the Clerk before filing the appeal and was informed that an Application for Admission to practice should be filed with the Notice of Appeal. I also understood from this discussion that until the Application for Admission was granted, we were not authorized to file additional papers with the Court.
- 6. I mistakenly understood from my discussions with the Office of the Clerk that the filing of the Pre-Argument Statement needed to await the granting of our Application for Admission to practice before the Court.
- 7. On January 31, 2000, I received an Order from the Court dismissing the appeal for failure to file the Pre-Argument Statement (Form C/A) within the prescribed period (Exhibit A).
- 8. Attached to the Motion for Reinstatement of the Appeal is a completed Pre-Argument Statement (Exhibit B), which, if the herein motion is granted, will be filed with the Court as required by the Local Rule.
- 9. Grace will be unfairly penalized and unduly prejudiced if the Motion for Reinstatement is not granted. The 45-day jurisdictional period to file an

appeal will have run and Grace will not be able to seek judicial review of the challenged Order.

WHEREFOR, Petitioner prays that the Motion for Reinstatement of Appeal No. 99-4223, be granted.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Washington, D.C. this 2<sup>nd</sup> day of February, 2000.

Christopher H. Marraro

## CERTIFICATE OF SERVICE

I certify that copies of the foregoing Motion for Reinstatement of Appeal, together with the Declaration of Christopher H. Marraro In Support of Motion for Reinstatement of Appeal, was served this 2nd day of February, 2000, by first class mail, postage prepaid, on the following:

James Eppers
Office of Regional Counsel
U.S. Environmental Protection Agency
999 18<sup>th</sup> Street, Suite 500
Denver, CO 80202-2466

Christopher Vaden Environmental Defense Section U.S. Department of Justice P.O. Box 23986 Washington, D.C. 20026-3986

Christopher H. Marraro



#### UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT AGENC: INS
UNITED STATES COURT HOUSE AGENCY # SDWA-8-99-68
40 FOLEY SQUARE
NEW YORK 10007

Re: W.R.Grace & Co v. EPA Docket No. 99-4223

AGENCY APPEALS SCHEDULING ORDER #1
ADDRESS INQUIRIES TO (212) 857-8544

Noting that <u>Christopher H. Marraro</u>, counsel for the petitioner(s), <u>W.R.Grace & Co- Conn</u>, has filed a petition for review, on <u>20 December 1999</u>, and being advised as to the progress of the proceedings,

IT IS HEREBY ORDERED the certified list of material comprising the record or the record with a certified list (FRAP 17(b)), be filed on or before  $\frac{Apci}{2000}$ .

IT IS FURTHER ORDERED that the brief of petitioner(s) and the joint appendix be filed on or before  $\frac{4000}{1000}$ .

IT IS FURTHER ORDERED that the brief(s) of the respondent(s) be filed on or before  $\frac{W(N)}{V(N)}$ .

IT IS FURTHER ORDERED that 10 copies of each brief shall be filed with the Clerk.

IT IS FURTHER ORDERED that the argument of the appeal shall be heard no earlier than the week of 1000. All counsel should immediately advise the Clerk by letter of the dates thereafter that they are unavailable for oral argument. The time and place of oral argument shall be separately noticed by the Clerk to counsel.

IT IS FURTHER ORDERED that if the petitioner(s) fail(s) to file a brief and a joint appendix within the time directed by this order, the proceeding may be dismissed forthwith without further notice and without a motion therefor.

IT IS FURTHER ORDERED in the event of default by the agency in filing the record or certified list, or in default by the respondent in filing its brief within the time directed, or upon default of any party regarding any other provision of this order, such party shall be subject to such sanctions as the court may deem appropriate.

KAREN GREVE MILTON, Acting Clerk

Frank J. Scardilli

Staff Counsel

Dated: (58)

Received
Office of Enforcement

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Compliance & Env. Justice

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

Received Office of Enforcement

MAR 1 4 2000

Compliance & Env. Justice



#### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18<sup>TH</sup> STREET - SUITE 300
DENVER, CO 80202-2466
http://www.epa.gov/region08

CONFIDENTIAL SETTLEMENT COMMUNICATION

Ref. 8RC

NOV 16 2000

Via Facsimile

Christopher H. Marraro Wallace King Marraro & Branson, PLLC 1050 Thomas Jefferson Street, N.W. Washington, D.C. 2007

Re: In The Matter of AMARCO, et al., EPA Docket No. SDWA-8-99-68.

Dear Mr. Marraro:

As we agreed in our telephone conference of November 14, 2000, EPA Region VIII is willing to issue an amended order with the Presiding Officer in the above-referenced matter. This order would withdraw, without prejudice, W.R. Grace & Co. as a Respondent. I anticipate that Region VIII's Legal and Technical Enforcement Programs will issue this amended order during or before the week of November 27, 2000. My understanding from you is that Grace will withdraw its appeal pending in the Federal Circuit Court of Appeals, Second Circuit, styled as W.R. Grace & Co. v. U.S. Environmental Protection Agency, Docket No. 99-4223.

I also understand that nothing about EPA's amended order or the withdrawal of Grace's appeal are intended to limit Grace's right to appeal any future administrative order issued by the EPA.

Steven B. Moores

Associate Regional Counsel

(303) 312-6857

cc: Joshua Levin, USDOJ

0



J. Eppers (8ENF-L) N. Wiser (8ENF-T) bcc:

Wallace King Marraro Branson Wallace King Marraro & Branson, pllc 1050 Thomas Jefferson Street, N.W. Washington, DC 20007

> Phone 202.204.1000 Fax 202.204.1001

Christopher H. Marraro Direct Dial 202.204.3720 cmarraro@wallaceking.com

Privileged and Confidential Prepared for Settlement Purposes Only

November 20, 2000

#### VIA Facsimile

Steven B. Moores, Esq. U.S. EPA, Region VIII Office of Regional Counsel, 8RC 999 18<sup>th</sup> Street, Suite 500 Denver, CO 80202-2466

RE: In the Matter of AMARCO, et al., EPA Docket No. SDWA-8-99-68

Dear Mr. Moores:

I am in receipt of your November 16, 2000 letter advising me that the U.S. Environmental Protection Agency has agreed to withdraw the Safe Drinking Water Act Section 1431 Administrative Order (Docket No. SDWA-8-99-68) against W.R. Grace & Co.-Conn. On behalf of our client, we agree with all points in your letter. Once I receive a copy of the amended Order without Grace as a Respondent, I will promptly withdraw the appeal in W.R. Grace & Company v. EPA, Docket No. 99-4223, which is currently pending before the Second Circuit United States Court of Appeals. I will provide a copy of our notice withdrawing the appeal to both you and Joshua Levin, Esq. of the U.S. Department of Justice.

Thank you for your efforts in bringing this matter to a successful settlement.

Sincerely,

Christopher H. Martaro

CHM/kdc

cc: Joshua Levin, Esq.
David M. Cleary, Esq.



WALLACE KING MARRARO & BRANSON, PLLC 1050 Thomas Jefferson Street, N.W. WASHINGTON, DC 20007 Phone 202.204.1000 Fax 202.204.1001

# FAX TRANSMITTAL

DATE: November 13, 2000

TO:

<u>Name</u>	<u>Company</u>	Fax Number	Phone Number
Steven Moores	US EPA, Region VIII	303-312-6859	303-312-6857
Joshua Levin	Dept. of Justice	(202) 514-8865	(202) 514-4198

FROM: Chris Marraro

Direct Line: 202.204.3720

cmarraro@wallaceking.com

CLIENT/MATTER: 54009

**NUMBER OF PAGES:** including this cover - 3

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IF YOU RECEIVED THIS FACSIMILE IN ERROR, PLEASE CALL US COLLECT IMMEDIATELY.

Wallace King Marraro Branson

WALLACE KING MARRARO & BRANSON, PLLC 1050 THOMAS JEFFERSON STREET, N.W. WASHINGTON, DC 20007 Phone 202,204,1000 Fax 202,204,1001

> CHRISTOPHER H. MARRARO Direct Dial 202.204.3720 cmarraro@wallaceking.com

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November 13, 2000

#### VIA Facsimile

Steven B. Moores, Esq. U.S. EPA, Region VIII Office of Regional Counsel, 8RC 999 18<sup>th</sup> Street, Suite 500 Denver, CO 80202-2466

RE: In the Matter of AMARCO, et al., EPA Docket No. SDWA-8-99-68

Dear Mr. Moores:

This letter replies to your letter of November 7, 2000, in which you asked two specific questions. First, as evidenced by the enclosed memo, the sale of Grace Petroleum Corporation to Samson Investment Company occurred on January 21, 1993. Second, you inquired as to what the relationship was between Grace Petroleum Corporation and Grace Energy Corporation. Grace Energy was a publicly traded company and Grace Petroleum was a wholly owned subsidiary of Grace Energy.

I trust that this response is adequate for your needs. Please call if you have any further questions.

Sincerely,

Christopher H. Marraro

CHM/kdc Enclosure

cc: Joshua Levin, Esq. (w/attachment)



#### MEMORANDUM

TO

n×.

J. P. GRACE

J. P. BOLDUC

F. E. BONA

J. M. BUTLER

P. D. HOUCHIN

P. B. MARTIN

W. L. MONROE

J. M. POSNER

D. W. ROBBINS, JR.

P. J. RYAN, III

B. J. SMITH

S. A. STROFF

R. N. SUKENIK

J. R. WRIGHT, JR.

FROM:

ANTHONY G. RIDDLESPERGER

RE:

GRACE PETROLEUM STOCK SALE

SAMSON INVESTMENT COMPANY

On January 21, 1993, the stock of Grace Petroleum Corporation was transferred to Samson Investment Company. The purchase price of \$125,000,000, to be adjusted in the future for certain contingencies, was wire transferred to W. R. Grace & Co.-Conn.'s account #910-1-013572 at The Chase Manhattan Bank, New York.

cc: D. E. Grimm

L. G. Besson

J. P. McMillin

F. L. Ryan

R. H. Beber

D. B. Slegel V

R. B. Lamm

C. R. Mathews

P. Greene

E. M. Cloffi



### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18<sup>TH</sup> STREET - SUITE 300
DENVER, CO 80202-2466
http://www.epa.gov/region08

NOV 7 2000

Ref: 8RC

Via Facsimile

Christopher H. Marraro Wallace King Marraro & Branson, PLLC 1050 Thomas Jefferson Street, N.W. Washington, D.C. 2007

Re: In The Matter of AMARCO, et al., EPA Docket No. SDWA-8-99-68.

Dear Mr. Marraro:

I am writing to follow-up our telephone conversation of October 10, 2000. At that time, EPA and the U.S. Department of Justice told you that attorneys had contacted us from the firm of Goetz, Gallik, Baldwin & Dolan, who represent plaintiffs suing several named defendants, including Samson Hydrocarbons Company, an apparent subsidiary of Samson Investments, Inc. P.C. ("Samson"), in the U.S. District Court, District of Montana (Cause No. CV-98-108-BLG-JDS). They informed us that at some point in time Samson may have acquired Grace Petroleum Corporation. If that were true, W.R. Grace & Co. ("Grace") may not have been the correct named party on EPA's enforcement order in the above-referenced matter.

During our October 10 conversation, EPA requested that you send us any information your client might have that would explain what if any sale had taken place between Grace and Samson. In response to our request, you sent me a document entitled "Agreement for the Purchase and Sale of the Stock of Grace Petroleum Corporation" ("Agreement"), which my office received on November 1, 2000. We have several questions about the Agreement, the answers to which we hope will clarify Grace's history in this matter.

To begin, while the (undated) cover sheet of the Agreement references the purchase and sale of "Grace Petroleum Corporation," the Agreement itself (dated December 30, 1992), states in the preamble to Article 1 that the sale is between "Grace Energy Corporation" and Samson. The term "Grace" is defined in the Agreement (at Section 1.16) to mean "W.R. Grace & Co.-Conn., a Connecticut corporation," while the "Seller" is defined as "Grace Energy Corporation." The term "Corporations" is defined as "GPC and the GPC Subsidiaries." The acronym "GPC" is



defined as "Grace Petroleum Corporation." Throughout the Agreement, the obligations of sale are attributed to "Grace Petroleum Corporation," not "Grace Energy Corporation" or any other Grace entity. As a result, it not clear to me from the Agreement what relationship exists between Grace Petroleum and Grace Energy corporations. Is there any other documentation you can provide me to describe this relationship?

Also, we note that the Agreement describes a purchase and sale that is to take place on "a date agreed upon by Seller and Purchaser in writing." (Section 3.01) Therefore, the Agreement itself does not document whether the purchase and sale actually occurred, and to what extent it occurred. Is there any other documentation you can provide us to confirm that the substance of the Agreement was executed as it was described?

We hope to clarify soon the history of Grace's ownership of the facilities that are the subject of EPA's enforcement order, which might further a settlement of Grace's appeal of this matter.

Steven B. Moores

cc: Joshua Levin, USDOJ

bcc: J. Eppers (8ENF-L) N. Wiser (8ENF-T)

Wallace King Marraro Branson Reid ORC

Wallace King Marraro & Branson, pllc 1050 Thomas Jefferson Street, N.W. Washington, DC 20007

> Phone 202.204.1000 Fax 202.204.1001

CHRISTOPHER H. MARRARO Direct Dial 202.204.3720 cmarraro@wallaceking.com

Privileged and Confidential Prepared for Settlement Purposes Only

October 31, 2000

# VIA Federal Express

Steven Moores, Esq. U.S. EPA 999 18<sup>th</sup> Street Suite 500 8RC Denver, CO 80202-2466

RE: W.R. Grace & Co. v. EPA - Docket No. 99-4223

Dear Mr. Moores:

As you are aware, we represent W.R. Grace & Co.—Conn. ("Grace") in the above referenced appeal. In support of its position that Grace is inappropriately named in the November 5, 1999 First Amended Emergency Administrative Order issued pursuant to the Safe Drinking Water Act, Grace submits for your review and consideration the Stock Purchase Agreement for the sale of Grace Petroleum Corporation between Grace Energy Corporation and Samson Investment Company.

You should be aware that the Second Circuit has issued a briefing schedule in this case and, therefore, time is of the essence if we are to settle this litigation.

Sincerely,

Christopher H. Marraro

CHM/kdc Enclosure

cc: Joshua Levin, Esq. (w/o attachment)

3-15-00 no page 72

# AGREEMENT FOR THE PURCHASE AND SALE OF THE STOCK OF GRACE PETROLEUM CORPORATION

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18.09	U.S. Dollars	69

#### GPC STOCK PURCHASE AGREEMENT

#### ("Agreement")

STOCK PURCHASE AGREEMENT dated December 30, 1992 by and between GRACE ENERGY CORPORATION, a Delaware corporation having executive offices at Two Galleria Tower, Suite 1500, 13455 Noel Road, Dallas, Texas 75240-6681, and SAMSON INVESTMENT COMPANY, a Nevada corporation having executive offices at Two West Second Street, Tulsa, Oklahoma 74103.

In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

#### ARTICLE 1.

#### Definitions

As used in this Agreement, the following terms have the meanings set forth in this Article 1. All Article, Section, Exhibit and schedule numbers and references used herein refer to Articles and Sections of this Agreement and Exhibits and schedules attached hereto or delivered simultaneously herewith, unless otherwise specifically described.

- 1.01 "Closing" means the consummation of the purchase and sale of the Shares as contemplated by this Agreement.
  - 1.02 "Closing Date" means the date on which the Closing occurs.
- 1.03 "Confidentiality Agreement" means the Agreement dated as of August 31, 1992 between Merrill Lynch, Pierce, Fenner & Smith Incorporated as Representative of Grace and Seller and Samson Resources Company regarding the keeping confidential of certain information furnished to Purchaser in connection with its evaluation of an acquisition of GPC.

- 1.04 "Corporations" means GPC and the GPC Subsidiaries.
- 1.05 "DOJ" means the United States Department of Justice.
- 1.06 "Devonian Shale Wells" has the meaning set forth in Section 11.10.
- 1.07 'DT" means Deloitte Touche.
- 1.08 "Effective Time" means 7:00 a.m. local time at the location of the Producing Properties on December 1, 1992.
- 1.09 "Employee Benefit Plans" means any bonus, automobile, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, 401(K) Plan, change in control plans, death benefit, life insurance, hospitalization, health insurance or other plan or arrangement or understanding (whether or not legal binding) providing benefits to any present or former employee of the Corporations.
- 1.10 "Environmental Law" means any law, regulation, rule, ordinance, bylaw, or order of any Governmental Authority, which relates to or otherwise imposes liability, obligations, or standards with respect to pollution or the protection of the environment in existence as of the date hereof.
  - 1.11 "FTC" means the Federal Trade Commission.
  - 1.12 "GPC" means Grace Petroleum Corporation, a Delaware corporation.
- 1.13 "GPC Subsidiaries" means Berry Gas Company, an Oklahoma corporation, GPC Marketing Company, a Delaware corporation, GPC Transporter, Inc., a Delaware corporation, and Petrodyne, Ltd., an Alberta corporation, each of which is a wholly-owned subsidiary of GPC.
  - 1.14 "Defensible Title" has the meaning set forth in Section 6.13.
- 1.15 "Governmental Authority" means the governments of the United States of America and Canada, any state of the United States of America or

province of Canada, or any political subdivision thereof, or any agency, board, bureau, department or commission of any of the foregoing.

- 1.16 "Grace" means W. R. Grace & Co.-Conn., a Connecticut corporation.
- 1.17 "Grace Entity" means Grace or any of its subsidiaries or affiliates, except for the Corporations.
- 1.18 "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.
  - 1.19 "Inspection Report" has the meaning set forth in Section 11.04.
- 1.20 "Leased Properties" means real property leased by the Corporations as described in Exhibit A, other than Oil, Gas, and Mineral Leases.
  - 1.21 Intentionally omitted.
- 1.22 "Material Adverse Effect" means an adverse effect upon the business, financial condition or results of operations of the Corporations taken as a whole and having a value greater than \$250,000.
  - 1.23 "Net Realizable Assets" has the meaning set forth in Section 5.02.
- 1.24 "Oil, Gas and Mineral Leases" means oil, gas and mineral leases in which the Corporations own an interest as lessee.
  - 1.25 "Permitted Encumbrances" has the meaning set forth in Section 6.13.
- 1.26 "Producing Properties" means those assets of the Corporations which produce or are capable of producing oil, gas and other minerals including, but not limited to, oil and gas leasehold interests, working interests, overriding royalty interests, non-participating royalty interests, and other payments out of production.
- 1.27 'Properties' means real property owned and leased by the Corporations, other than real property interests created by Oil, Gas and Mineral Leases and the Producing Properties.

- 1.28 "Purchase Price" means \$125,000,000, subject to adjustment as provided in Sections 5.02, 5.03, and 11.04.
- 1.29 "Purchaser" means Samson Investment Company, a Nevada corporation.
- 1.30 "Related Facilities" means all real property (other than the Leased Properties, the Oil, Gas and Mineral Leases, the Producing Properties and the Properties) and personal property and other rights of any nature whatsoever owned by the Corporations and used in connection with operations conducted at or incident or related to the Oil, Gas and Mineral Leases, Leased Properties, Producing Properties, and Properties whether located on or off of the Oil, Gas and Mineral Leases, Leased Properties, Producing Properties or Properties or on properties pooled or unitized therewith, including, but not limited to, all wells, fixtures, casing and tubing, production, gathering, treating, processing, compression, dehydration, salt water disposal and pipeline equipment and facilities, tanks, motor vehicles, machines, tools, dies, vessels and similar equipment and facilities, office equipment, reference materials, lease, business and other records and files, and all licenses, leases, easements, permits, actions and rights-of-way.
  - 1.31 "Scheduled Closing Date" has the meaning specified in Section 3.01.
  - 1.32 "Seller" means Grace Energy Corporation, a Delaware corporation.
  - 1.33 "Seller Group" means Seller and its subsidiaries and affiliates.
- 1.34 "Shares" means all of the issued and outstanding capital stock of GPC which consists of 1,000 shares of common stock, par value \$1.00 per share, all of which is being purchased and sold hereunder.
  - 1.35 Intentionally omitted.
  - 1.36 "Tape" has the meaning set forth in Section 6.13.
  - 1.37 "Tight Sands Wells" has the meaning set forth in Section 11.10.

- 1.38 "Title Variance" has the meaning set forth in Section 9.07
- 1.39 "Voting Debt" has the meaning set forth in Section 6.04(e).

### ARTICLE 2..

# Purchase and Sale of the Shares; Consideration

- 2.01 <u>Purchase and Sale</u>. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell and transfer the Shares to Purchaser and Purchaser shall purchase and acquire the Shares from Seller.
- 2.02 <u>Payment of Purchase Price</u>: In consideration for the sale and purchase of the Shares as described in Section 2.01, Purchaser shall pay to Seller the Purchase Price in the manner described in Article 4.

#### ARTICLE 3.

#### Closing Date; Termination

3.01 Scheduled Closing Date. The "Scheduled Closing Date" shall be a date agreed upon by Seller and Purchaser in writing, which date shall be no later than the third business day following the fulfillment or waiver of the conditions set forth in Sections 11.05 and 12.03, unless Seller and Purchaser shall agree to a different Scheduled Closing Date in an amendment to this Agreement executed and delivered in accordance with Section 18.07. For purposes of this Article, "business day" shall mean a day which is not a Saturday or Sunday, nor a day on which banks are generally closed in the City of New York.

#### 3.02 Termination.

- (a) This Agreement may be terminated at any time prior to the Closing by mutual written agreement of the parties.
- (b) If the conditions set forth in Sections 11.05 and 12.03 have not all been fulfilled or waived by the party entitled to waive such conditions on or before

February 15, 1993, unless the parties shall agree otherwise in an amendment to this Agreement executed and delivered in accordance with Section 18.07, then either Seller or Purchaser may terminate this Agreement, subject to the provisions of subsection (d) of this Section, by giving notice to the other, in the manner provided in Section 16.01, at any time prior to the fulfillment or waiver of all such conditions.

- (c) If for any reason the Closing shall not have been consummated on or before the Scheduled Closing Date, either Seller or Purchaser shall have the right to terminate this Agreement, subject to the provisions of subsection (d) of this Section, at any time thereafter by giving at least three business days' advance notice of such termination to the other.
- (d) The termination of this Agreement, whether in accordance with any of the preceding provisions of this Agreement or otherwise, shall not affect the rights of either Seller or Purchaser against the other for liability or damage caused by or arising out of the breach of any covenant or agreement contained in this Agreement; provided, however, that upon termination in accordance with the preceding provisions of this Section, the parties shall be released from any and all liability or damage for breach of any of the representations and warranties contained in Article 6 or Article 7.

#### ARTICLE 4

# Actions at Closing; Discharge of Certain Obligations; Further Assurances

- 4.01 <u>Closing</u>. The Closing shall take place at 9:00 a.m. local time at the offices of GPC at Oklahoma City, Oklahoma, or at such other time and place as the parties hereto shall agree in writing, on the Closing Date.
  - 4.02 Actions at the Closing. At the Closing:

- (a) Seller shall deliver to Purchaser certificates representing the Shares, together with executed stock powers.
- (b) Purchaser shall deliver to Seller the Purchase Price, in immediately available United States funds by wire transfer to an account designated by Seller.
- (c) Seller shall deliver to Purchaser (i) any minute books and stock transfer books of the Corporations that are not then in the possession of the Corporations, and (ii) legally effective resignations of such directors and officers of the Corporations as Purchaser has requested. Within a reasonable time after the Closing, Seller will deliver to Purchaser any records of the Corporations that are not then in the possession of the Corporations.
- (d) Seller shall deliver to Purchaser the certificate described in Section 11.08, and opinion of counsel described in Section 11.09.
- (e) Purchaser shall deliver to Seller the certificate described in Section 12.06, and opinion of counsel described in Section 12.07.
- 4.03 Effectiveness of Closing. No action to be taken or delivery to be made at the Closing shall be effective until all of the actions to be taken and deliveries to be made at the Closing are complete.
- 4.04 <u>Further Assurances</u>. At any time and from time to time from and after the Closing, Seller and Purchaser shall, at the request and expense of the requesting party, take all such actions as the requesting party shall reasonably request in order to fully and effectively conform to the intents and purposes of this Agreement.
- 4.05 <u>Discharge of Certain Intercompany Accounts</u>. Except for arms length transactions for goods or services otherwise included in accounts receivable or payable, any amounts owed by any Grace Entity to the Corporations, or by any of

the Corporations to any Grace Entity, shall be deemed paid and discharged, effective as of the Closing Date.

#### ARTICLE 5.

#### Purchase Price Adjustments

5.01 Closing of the Books. As of the close of business on December 31, 1992, GPC will close the books of the Corporations consistent with past practices. Purchaser shall be permitted to have its representatives and advisors observe the closing of the books. As soon as practicable after December 31, 1992, but in no event later than thirty days after closing of the books of the Corporations, GPC shall prepare a consolidated balance sheet of the Corporations as at December 31, 1992 ("December 31, 1992 Balance Sheet"). The December 31, 1992 Balance Sheet shall be prepared on a going concern basis using the accounting principles contained in Grace's Financial Accounting Policy Statements manual and the same levels of materiality, account classifications and procedures as used to prepare the unaudited consolidated balance sheet of the Corporations, as at November 30, 1992 (November 30, 1992 Balance Sheet - Column 1), a complete copy of which is attached as a Schedule to this Section. In addition, GPC will prepare an Adjusted December 31, 1992 Balance Sheet representing the December 31, 1992 Balance Sheet revised to exclude the assets and liabilities of the Thomasville Field and the East Texas Region included in the December 31, 1992 Balance Sheet (reference is made to the November 30, 1992 Balance Sheet -Column 4).

## 5.02 Purchase Price Adjustment for Net Realizable Assets.

- Purchaser's calculation of the (i) sum of the amounts reflected in the Adjusted December 31, 1992 Balance Sheet, as may be modified to conform to the provisions of this Agreement, of the Corporations', cash, accounts and notes receivable from all parties other than Seller and Grace and inventories which have been realized or are collectible, less accounts and notes payable, bank overdrafts, accrued liabilities, long-term and deferred income (but not including Income Tax liabilities retained by Seller as stated in Article 17 and accrued insurance and employee benefit obligations also being retained by Seller), (ii) plus or minus the items listed in Section 5.03 hereof, said sum being the "Net Realizable Assets". For purposes of determining the items included in (i) above the same detailed account compilation procedures as per the Schedule to this Section shall be used.
- (b) Except as modified by Section 5.03 hereof, the values of all amounts included in Net Realizable Assets shall be determined on the basis of the accounting principles used to prepare the Adjusted December 31, 1992 Balance Sheet, provided that any amount shall not exceed its realizable and collectible value.
- (c) Seller shall review Purchaser's calculation of Net Realizable Assets and will notify Purchaser not later than ninety (90) calendar days after the delivery of same to Seller of any objections Seller may have to the amount of or the failure of Purchaser to include any item in the calculation. Seller and Purchaser will, thereafter, negotiate in good faith to determine the amount of or whether any item or items should be included or not included in the calculation, and Purchaser will afford Seller and/or its representatives access to all of the books and records of the Corporations to allow Seller to make such determination. In the event that one hundred twenty (120) days after Purchaser delivers its calculation to Seller,

Seller and Purchaser are still unable to agree on the value or the inclusion of any item in such calculation, the following will apply as to each such item:

- (i) With respect to any asset to be included in Net Realizable Assets, Seller will have an option to either (A) obtain an assignment of such asset from the Corporations, or (B) submit the matter to DT for a determination of the value thereof as prescribed in item (iii) below;
- (ii) With respect to any liability to be included in Net Realizable Assets, Seller will have an option to either (A) assume such liability, or (B) submit the matter to DT for a determination of the value thereof as prescribed in item (iii) below;
- appropriately included, or not included, in the calculation of Net Realizable Assets based upon the criteria for such item set forth in the provisions of this Agreement. DT's determination with respect to any such item shall be completed as soon as possible after submission thereof to DT and will be final and binding on, and nonappealable by, Seller and Purchaser. Seller and Purchaser will each pay one-half of DT's fees and expenses.
- (d) Subject to the foregoing, the calculation of Net Realizable Assets will, for the disputed items relating to the calculation of Net Realizable Assets, be adjusted as follows:
- (i) Increased or decreased, as the case may be, for the difference (plus or minus) between the original valuation of such items and the valuation of such items as determined by DT.
- (ii) Decreased by the original valuation of such items for any assets assigned to Seller.
- (iii) Increased by the original valuation of such items for any liabilities assumed by Seller.

- less than zero, then, no later than ten days following the later of either agreement of the parties or DT's determination of all items to be included in adjusted Net Realizable Assets. Seller will pay to Purchaser (by check) the difference between the amount of adjusted Net Realizable Assets and zero, together with 9 percent per annum simple interest thereon calculated from the Closing Date until the date of actual payment thereof. In the event that the adjusted Net Realizable Assets is greater than zero; then, no later than ten days following the later of either agreement of the parties or DT's determination of all items to be included in adjusted Net Realizable Assets, Purchaser will pay to Seller (by check) the difference between zero and the amount of adjusted Net Realizable Assets, together with 9 percent per annum simple interest thereon calculated from the Closing Date until the date of actual payment thereof.
- 5.03 Other Items to be Included in Net Realizable Assets. The amounts associated with the following items shall either modify the values to be included in Net Realizable Assets or shall be additional items to be included therein:
- (a) With respect to all of the Corporations' bank accounts, the sum total of all of the following amounts shall be included as an asset or a liability, as appropriate, in the calculation of Net Realizable Assets:
- (i) The net amount of all cash payments and transfers (cleared or outstanding) made out of and/or into the Corporations' bank accounts to or from Seller, Grace or any affiliate on and after January 1, 1993 and through the Closing Date; and
- (ii) The total amount of all cash payments (cleared or outstanding) pertaining to any period prior to January 1, 1993 made by the Corporations on and after January 1, 1993 and through the Closing Date for the Corporations'

payment of any amount to entities other than those referred to in item (i) above not otherwise included as a liability in the calculation of Net Realizable Assets.

- (b) In lieu of the valuation procedures otherwise applicable to such items pursuant to Section 5.02 hereof, Purchaser no later than April 1, 1993 may cause all or any portion (at Purchaser's sole discretion) of the Corporations' materials and supplies inventory to be designated for sale to and bidding by third parties. Upon receipt of the third-party offers, Purchaser will disclose all such third-party offers received to Seller. Seller will thereafter have ten (10) days to elect, for itself or its designee, to purchase said items included in the third-party offers for an amount equal to 100% of the highest third-party offer. In the event Seller so elects to purchase said items, then (i) Seller will immediately pay the purchase price to Purchaser (which amount of cash received shall not be considered in the calculation of Net Realizable Assets); (ii) the amount for such items to be included in the calculation of Net Realizable Assets will be equal to the highest third-party offer, less applicable sales taxes; and (iii) Seller will immediately take custody of all such items. In the event Seller does not so elect to purchase such items, then Purchaser will have ten (10) days to elect to require the Corporations to retain all such items, in which event the amount to be included in the calculation of Net Realizable Assets will be equal to 100% of the highest third-party offer. In the event neither Seller nor Purchaser make an election to purchase such items, then the amount for such items to be included in the calculation of Net Realizable Assets will be an amount equal to the highest third-party offer, less applicable sales taxes.
- (c) Net Realizable Assets shall include or shall not include as liabilities (or as assets for refunds) amounts for Income Taxes (as defined in Article 17) as provided in Article 17 hereof.

- (d) Net Realizable Assets shall include as liabilities all ad valorem, severance and production tax accruals (less \$50,000) to the extent such accruals relate to the Producing Properties and Related Facilities but excluding from such calculation any such tax assessments arising out of contractual settlements by the Corporations of take-or-pay claims, gas purchase contract buy downs, government pricing regulations or like occurrences, or relating to gas plants in which the Corporations own or have owned an interest, for which Seller and Grace have provided indemnification to Purchaser and the Corporations pursuant to Section 13.03.
- (e) Any and all adjustments to the Purchase Price resulting from Purchaser's Title Variances as determined pursuant to Section 9.07 shall be included as either an asset or a liability as appropriate in the calculation of Net Realizable Assets.
- (f) Purchaser shall determine the gas balancing position of all wells net to the Corporations' revenue interest. Any difference between (i) the aggregate volume so determined by Purchaser as of the Effective Time and (ii) 2,490,100 MCF overproduced gas balancing position as represented by Seller, shall be multiplied by \$1.00 per MCF and the resulting amount included as either an asset or liability (as appropriate) in the calculation of Net Realizable Assets.
- (g) The Corporations' estimated net revenues from oil, gas or other sales for the month of December, 1992 included in GPC's general ledger account #110-205 shall not be included as an asset in the calculation of Net Realizable Assets.
- (h) The Corporations' estimated net working interest share of well operating expenses for the month of December, 1992 included in GPC's general ledger account #336-004 shall not be included as a liability in the calculation of Net Realizable Assets.

- (i) Well costs (no matter when they are actually incurred or paid) shall be included in the calculation of Net Realizable Assets as follows:
- (i) All drilling, completion and pipeline connection costs for the wells listed on Exhibit "B" attached hereto shall not be included as liabilities.
- (ii) All acreage, drilling, completion and pipeline connection costs (pursuant to outstanding AFE's executed by GPC prior to the date hereof) not actually paid prior to January 1, 1993 and applicable to any well or wells not included on Exhibit "B" (including all Devonian Shale Wells) shall be included as liabilities, to the extent not already included as liabilities in the calculation of Net Realizable Assets.
- (iii) All acreage, drilling, completion and pipeline connection costs for wells drilled pursuant to AFE's approved or executed by Purchaser subsequent to the date hereof shall not be included as liabilities.
- attributable to the Manley No. 1-15 well shall be included as liabilities in the calculation of Net Realizable Assets to the extent not already included as a liability in the calculation of Net Realizable Assets. Purchaser shall cause Seller or Seller's designee to receive all pertinent well information available to Purchaser. Seller or Seller's designee shall be responsible for making any casing point or completion elections and shall have the option, to be exercised no later than sixty (60) days following completion, to require the Corporations to assign to Seller or Seller's designee the Corporations' interest in said well.

All prepayments of drilling, completion or pipeline connection costs made prior to January 1, 1993, shall be applied to reduce the liability set forth above.

(j) The reduction in the value of future Section 29 tax credits applicable to all Tight Sands Wells and the reduction in the value of future Section 29 tax credits applicable to and/or gas production from all Devonian Shale Wells, as

calculated pursuant to Section 11.10, shall be included as a liability in the calculation of Net Realizable Assets.

- (a) The remaining amount of payments due for any and all building leases (other than the Oklahoma City Office Leases,), office equipment and vehicle leases or other similar commitment leases or rentals as of May 31, 1993 (which are not cancellable within 60 days without penalty) shall be discounted to present value at the then existing prime rate as published in the Wall Street Journal and the resulting amounts shall be included as liabilities in the calculation of Net Realizable Assets.
- (l) The amount of \$150,500 (Canadian) representing the Corporations' ownership interest in the Viking Kinsella package located in Alberta, Canada and the Hudson area package located in Alberta, Canada (which interests shall be retained by the Corporations) shall be included as an asset in the calculation of Net Realizable Assets, subject to adjustment for any Title Variances as provided herein.
- (m) The amount of any termination and/or cancellation payments attributable to the cancellation of the Chautauqua drilling consultant contract in Alberta, Canada and actually paid by the Purchaser or the Corporations shall be included as a liability in the calculations of Net Realizable Assets.
- (n) Purchaser and Corporations recognize that many items of expenditures for general and administrative expenses, taxes (other than income) and Income Taxes have been or will be actually paid by either Seller or Grace (but not by GPC or Purchaser) and charged to GPC through a non-cash accounting entry ("Non-Cash Charges"). With respect to such items, the parties agree as follows:
- (i) No accrual for Non-Cash Charges will be recognized as a liability in the calculation of Net Realizable Assets.

- (ii) No prepayment for Non-Cash Charges will be recognized as an asset in the calculation of Net Realizable Assets.
- (o) Any cash amount for the payment of valid charges by the Corporations occurring during periods prior to January 1, 1993, and received by Purchaser subsequent to Closing for which an account receivable balance was not recorded as of December 31, 1992 shall be included as an asset in the calculation of Net Realizable Assets.
- (p) Excluded from the calculation of Net Realizable Assets is the liability for the various contingencies set forth on the schedule to this Section for which Seller is indemnifying Purchaser.
- 5.04 Items Excluded from Net Realizable Assets. Specifically excluded from the calculation of Net Realizable Assets shall be the following liabilities and obligations, the responsibility for payment of which shall be retained by Seller (and which amounts shall not be paid by the Corporations):
- (a) All severance payment and termination liabilities associated with the termination of the Corporations' employees, whether terminated before or after the Closing Date.
  - (b) Intentionally Omitted.
- (c) All liabilities associated with the payroll of the Corporations for all periods through December 31, 1992 including, but not limited to, base payroll, incentive, bonus, commission or performance based payments, payroll taxes and related benefits payable pursuant to the Employee Benefit Plans. A Grace Entity shall make payment of such amounts directly to the Corporations' employees.
- (d) Except for the adjustment provided for in Section 5.03(f) hereof, there shall (except for amounts of excess and overriding royalties related to overproduction included in account #316-002 "Accounts Payable Oil and Gas Suspense", which at November 30, 1992 amounted to \$196,264.62) be no assets or

liabilities related to the Corporations' gas balancing positions included in the calculation of Net Realizable Assets.

5.05 Obligation to Fund Bank Accounts. Effective at the Closing, Purchaser shall assume Seller's obligations to all banks at which the Corporations maintain disbursing accounts to fund all overdrafts on such accounts resulting from disbursements by the Corporations, regardless of whether such disbursements are made prior to or after the Closing, provided, however, that Seller shall use its best efforts to minimize account over drafts either by maintaining sufficient cash balances to cover outstanding checks and/or accelerate or delay payments during the week immediately preceding the anticipated closing.

5.06 Proceeds of Lawsuit. The parties acknowledge that GPC has an interest in the outcome of Miller Brothers, et al. v. State of Michigan, et al., Cause No. 88-11848-CM, as filed in the Court of Claims in the State of Michigan, pursuant to a letter agreement dated September 18, 1989 between Wolverine Gas and Oil Company, Inc. and GPC, as amended. Immediately prior to the Closing, GPC shall assign all rights under such agreement to Seller or its assignee and Seller or its assignee shall assume all of GPC's obligations thereunder, and shall bear all costs and expenses related thereto. Upon final disposition of such lawsuit, Seller or its assignee shall be entitled to receive all amounts to which GPC would be entitled under such agreement and GPC shall promptly remit to Seller or its assignee all monies received by GPC in respect of such agreement.

#### - ARTICLE 6.

# Representations and Warranties by Seller

Seller hereby represents and warrants to Purchaser as follows:

6.01 <u>Incorporation</u>.

- (a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full corporate power to enter into this Agreement and perform its obligations hereunder and thereunder.
- (b) Each of the Corporations is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power to operate its business as currently conducted and is a corporation duly qualified and in good standing to do business in each jurisdiction in which the nature of its business makes such qualification necessary, other than in such jurisdictions where the failure so to qualify would not have a Material Adverse Effect. The schedule to this Section sets forth (i) the jurisdiction of incorporation of each Corporation and (ii) the jurisdictions where each Corporation is authorized or otherwise qualified to do business as a foreign corporation.
- 6.02 <u>Authorization</u>. Subject to the approval of the boards of directors as provided in Article 12, Seller has all requisite corporate power and authority to enter into this Agreement. Upon such approval, the execution and delivery of this Agreement by Seller, and the performance by Seller of its obligations hereunder, will be duly and validly authorized by all necessary corporate action of Seller; and upon such approval, this Agreement will have been duly executed and validly delivered by Seller and be legally binding on Seller.
- 6.03 No Conflict. The execution and delivery of this Agreement by Seller, and the performance by Seller of its obligations hereunder, do not (a) conflict with the certificate of incorporation or by-laws of Seller, or (b) result in any breach of any of the provisions of, constitute a default under, or give rise to a right of acceleration of any material obligation or to loss of a material benefit under, any judgment, order, decree, writ, permit, concession, franchise, license or agreement to which Seller is a party or by which Seller is bound, which breach or default

would materially adversely affect the ability of Seller to execute, deliver or perform its obligations under this Agreement.

# 6.04 Capitalization.

- (a) The schedule to this Section sets forth the authorized, issued and outstanding capital stock of each of the Corporations.
- (b) Seller is the sole record and beneficial owner of the Shares, and GPC is the sole record and beneficial owner of all of the outstanding capital stock of the GPC Subsidiaries. The Shares and the outstanding capital stock of the GPC Subsidiaries are free and clear of all liens, security interests, pledges, options, encumbrances, charges, agreements, voting trusts and proxies.
- GPC Subsidiaries have been duly and validly issued and are fully paid and nonassessable and were not issued in violation of any preemptive rights.
- (d) There are no rights, subscriptions, warrants, options, calls, commitments, conversion rights or agreements of any kind outstanding or in effect to purchase or otherwise acquire (i) the capital stock of any Corporation or (ii) any obligations of any kind convertible into or exchangeable for any shares of capital stock of any Corporation.
- (e) There are no bonds, debentures, notes or other indebtedness having the right to vote on any matters on which the shareholders of the Corporations may vote ("Voting Debt") issued or outstanding.
- 6.05 <u>Litigation and Claims</u>. Except as set forth in the schedule to this Section, there are no actions, suits or proceedings (including any which have been or may be asserted by any Governmental Authority), pending, or to the knowledge of Seller, which knowledge shall be either (i) the present personal knowledge of the Seller's vice president, F. L. Ryan, after consultation with the Corporations' officers or (ii) as reflected in the Corporations' files and records, threatened

against Seller or any Corporation or affecting Seller, any Corporation or their respective Leased Properties, Oil, Gas and Mineral Leases, Properties, Producing Properties and Related Facilities which would reasonably be expected to (i) materially adversely affect the ability of Seller to execute, deliver or perform its obligations under this Agreement, or (ii) individually or in the aggregate have a Material Adverse Effect.

6.06 Labor and Employment. The schedule to this Section sets forth a list of (a) all collective bargaining or other agreements with labor unions to which any Corporation is a party, and (b) all written employment agreements, policies or procedures not cancellable within sixty (60) days to which any Corporation is a party which may remain in effect after the Closing. Seller has delivered w Purchaser true and complete copies of any such agreements and documents. Except as set forth in the schedule to this Section, none of the Corporations are parties to any oral or written agreement, plan or arrangement with any officer, director or employee of any of the Corporations (i) the benefits of which are contingent, or the terms of which are altered, upon the occurrence of a transaction involving any of the Corporations of the nature of any of the transactions contemplated by this Agreement, (ii) requiring severance benefits or other benefits after the termination of employment regardless of the reason for such termination of employment, (iii) under which any person may receive payments subject to the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or (iv) any of the benefits of which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

#### 6.07 Insurance

- (a) The schedule to this Section describes the property, casualty and liability insurance coverage maintained by or on behalf of each Corporation.
- (b) All insurance coverage for the Corporations under the Grace insurance programs shall terminate at 12:01 a.m. CST on the day following the day of the Closing (the "Cut-Off") with respect to events or occurrences following the Cut-Off.

Immediately upon execution of this Agreement, Seller shall provide to Purchaser all loss histories, revenue and well information, worker's compensation modifiers and other information required by Purchaser's insurance carriers.

- programs described in the Schedule to this Section, subject to the terms, conditions and limits of the applicable insurance policies, for events or occurrences preceding the Cut-Off only as specifically provided in this Agreement. No deductibles applicable to the insurance coverages described in the schedule to this Section shall be chargeable to the Corporations subsequent to the date hereof.
- (d) Coverage for the Corporations under Grace's excess liability insurance, as described in the schedule to this Section and subject to the terms, conditions and limits of the applicable insurance policies, shall terminate on the expiration date of the current policy period with respect to events or occurrences preceding the Cut-Off.
- (e) Blanket Crime and Fiduciary Liability insurance coverage for the Corporations shall terminate with respect to claims made after the Cut-Off.
- (f) Neither Purchaser nor any Corporation shall be liable to any Grace Entity or any insurance carrier providing coverage under the Grace insurance programs for any charge or assessment for which such Corporation might otherwise be liable after the Cut-Off under the Grace insurance programs, nor

shall Purchaser or any Corporation be entitled to any credits or refunds which such Corporation might otherwise be entitled to receive from Grace or any such insurance carrier after the Cut-Off under the Grace insurance programs, except as otherwise provided in this Agreement.

(g) Purchaser and the Corporations shall give prompt notice to Grace of all claims which are covered by Grace insurance programs and which shall continue to be maintained by Grace for the Corporations after the Cut-Off as described in this Agreement. Upon notice of any claim, Grace shall notify the appropriate insurance carrier under the Grace insurance program and, in conjunction with such insurance carrier, shall have the right to direct the investigation, negotiation and, if applicable, the defense of such claim and to settle or otherwise dispose of such claim without the consent or approval of Purchaser or any of the Corporations unless such settlement or disposition adversely affects the ongoing operations of the Corporations in which event settlement or disposition shall not occur without the consent or approval of Purchaser. The parties shall cooperate with each other relative to the exchange of records and other information necessary for the reporting, investigation and, if applicable, defense of such claim. Purchaser shall cause the Corporations to make their employees available as may be necessary in connection with the investigation or defense of any such claim.

Grace, Seller, and GPC acknowledge that Grace or Seller has obtained on behalf of the Corporations certain performance bonds, bid bonds and other surety instruments relating to the Oil, Gas and Mineral Leases, Leased Properties, Producing Properties, Properties and Related Facilities ("Bonds") to secure certain obligations of the Corporations and that Grace and Seller are obligated to indemnify the sureties. As promptly as practicable after the Closing, Grace or Seller as the case may be, shall cancel all Bonds which are cancellable.

As soon as practicable following the Closing, Purchaser shall obtain, or cause GPC to obtain, replacements for those Bonds which are not cancellable. Upon obtaining each such replacement Bond, Purchaser shall promptly notify Grace and will use reasonable efforts to arrange for Grace or Seller, as the case may be, to be released from the Bonds which have been replaced. During the period between the Closing and the date Purchaser or GPC obtains such replacement Bond and release, Purchaser shall pay Grace or Seller, as the case may be, all premiums and other fees charged by the surety to Grace or Seller with respect to the prior Bond for such period. Purchaser shall also indemnify Grace and Seller and save and hold each of them harmless from and against any and all liabilities, costs, losses or damages (including reasonable attorneys' fees) suffered by Grace or Seller as a result of any act or omission by any of the Corporations which require the surety under a Bond to perform according to its terms.

6.08 Employees; Benefit Plans. The Corporations have no Employee Benefit Plans.

Section, to the knowledge of Seller (which knowledge shall be either (i) the present personal knowledge of Seller's vice president, F. L. Ryan, after consultation with the Corporations' officers, or (ii) as reflected in the Corporations' files and records), the operations of the Corporations on the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities are in substantial compliance with all Environmental Laws, except where the failure so to comply would not reasonably be expected to have a Material Adverse Effect. Except as set forth in the schedule to this Section, to the knowledge of Seller (which knowledge shall be either (i) the present personal knowledge of Seller's vice president, F. L. Ryan, after consultation with the Corporations' officers, or (ii) as reflected in the Corporations' files and records), said operations of the

Corporations on the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities are not subject to any existing, pending or threatened (i) action, suit or claim by a landowner or third party alleging damage to his property, underlying fresh water aquifers or mineral producing strata, or (ii) action, suit, investigation, inquiry or proceeding by or before any court or Governmental Authority under any Environmental Laws.

- 6.10 Fees and Expenses. All fees and expenses incurred by or on behalf of either the Seller or the Corporations in connection with this Agreement and the transactions contemplated hereby (other than any fees or expenses which are paid directly by Seller or which may be payable hereunder by the Purchaser to any of its counsel, investment bankers, lenders, other financing sources, or any of its other representatives, agents, associates or affiliates) will be considered a liability in the calculation of Net Realizable Assets.
- 6.11 Completeness of Disclosure. To the knowledge of Seller (which knowledge shall be either (i) the present personal knowledge of Seller's vice president, F. L. Ryan, after consultation with the Corporations' officers or (ii) as reflected in the Corporations' files and records' the evaluation material provided to Purchaser by the Seller in conjunction with Purchaser's acquisition of the Shares did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading.
- 6.12 <u>Drilling Commitments</u>. Except as disclosed on the schedule to this Section, as of the Closing Date there are no ongoing drilling commitments remaining unperformed by or on behalf of the Corporations.
- 6.13 <u>Defensible Title</u>. The Corporations own Defensible Title (as hereinafter defined) in and to the Oil, Gas and Mineral Leases, the Properties, the Producing Properties and the Related Facilities (hereinafter the "Interests"). For

purposes of this Agreement, the term "Defensible Title" means that, subject to and except for the Permitted Encumbrances (as hereinafter defined):

- (a) the Corporations are (i) entitled to receive the "net revenue interests" set forth on the OGRE input tape provided to Purchaser by GPC containing reserve information for the Interests as of July 1, 1992 as modified by information set forth in the Schedule to this Section (the "Tape") of all oil, gas and associated liquid and gaseous hydrocarbons produced, saved and marketed from the Interests, without increase, reduction, suspension or termination of such net revenue interest throughout the duration of the productive life of such Interests, except as shown on the Tape, and (ii) except as shown on the Tape, obligated to bear the percentage of the costs and expenses related to the maintenance, development and operation of the Interests in an amount equal to the "working interest" set forth on the Tape, without increase or decrease throughout the productive life of such Interests, except increases or decreases that also result in a proportionate increase or decrease in the Corporations' net revenue interest and increases that result from contribution requirements with respect to defaulting co-owners; and
- (b) except for the Permitted Encumbrances, the title of the Corporations in each Interest is free and clear of all enforceable liens.

For the purposes of this Agreement, the term "Permitted Encumbrances" shall mean any of the following:

- (i) Any liens for taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the ordinary course of business:
- (ii) Any easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations, pipelines, canals, ditches or the like, and easements for streets, alleys, highways, pipelines, power lines and

other similar rights of-way, on, over or in respect of property owned or leased by any Corporation, or over which any Corporation owns rights-of-way, easements, permits or licenses, that do not unreasonably or materially interfere with the operation of any Interests for exploration and production of oil, gas and other minerals;

- (iii) All lessors' royalties, overriding royalties, net profits interests, production payments, carried interests, reversionary interests and other burdens on or deductions from the proceeds of production that do not operate to (A) reduce the net revenue interest of the Corporations below that set forth on the Tape, (B) increase the proportionate share of costs and expenses of leasehold operations attributable to or to be borne by the working interest of the Corporations above that set forth on the Tape without a proportionate increase in the net revenue interest of the Corporations or (C) increase the working interest of the Corporations above that set forth on the Tape without a proportionate increase in the net revenue interest of the Corporations;
- (iv) All rights to consent by, required notices to, and filings with or other actions by governmental or tribal entities, if any, in connection with the change of ownership or control of an interest in federal, state, tribal or other domestic governmental oil and gas leases, if the same are customarily obtained subsequent to such change of ownership or control, but only insofar as such consents, notices, filings and other actions related to the transactions contemplated by this Agreement;
  - (v) Conventional rights of reassignment prior to abandonment;
- (vi) The terms and provisions of the leases, unit agreements, pooling agreements, communitization agreements and other documents creating interests comprising the Interests, insofar and only insofar as such terms and provisions do not operate to (A) reduce the net revenue interest of the

Corporations below that set forth on the Tape, (B) increase the proportionate share of costs and expenses of leasehold operations attributable to or to be borne by the working interest of the Corporations above that set forth on the Tape without a proportionate increase in the net revenue interest of the Corporations, or (C) increase the working interest of the Corporations above that set forth on the Tape without a proportionate increase in the net revenue of Interests;

- (vii) Materialmen's, mechanics', repairmen's, employees', contractors', operators', tax and other similar liens or charges arising in the ordinary course of business incidental to construction, maintenance or operation of any of the Interests (A) if they have not been filed pursuant to law, (B) if filed, they have not yet become due and payable or payment is being withheld as provided by law or (C) if their validity is being contested in good faith in the ordinary course of business by appropriate action;
- (viii) Liens arising under operating agreements, unitization and pooling agreements and production sales contracts securing amounts not yet delinquent or, if delinquent, being contested in good faith in the ordinary course of business by appropriate action;
- (ix) Liens against the surface or mineral estates of the leases comprising the Interests that have been expressly subordinated to the Interests or that are subordinate to the Interests as a matter of law; provided, however, that liens against any fee simple, surface or mineral estates owned by any Corporation shall not be Permitted Encumbrances for purposes of this subsection (ix);
- (x) Covenants, conditions and other terms subject to which the Interests were acquired by the Corporations;
- (xi) Such title defects as Purchaser has expressly waived in writing;

- (xii) Rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate any of the Interests in any manner, and all applicable laws, rules and orders of any municipality or governmental or tribal authority; and
- (xiii) any other encumbrance affecting any portion of the Interests that individually does not materially adversely affect the operation, value or use of any such Interests.
- 6.14 Reserves Disclaimer. Nothing contained herein shall in any manner imply that either Seller or Grace is warranting the quantum of reserves, which warranty is hereby expressly negated.

#### ARTICLE 7.

# Representations and Warranties by Purchaser

Purchaser hereby represents and warrants to Seller as follows:

- 7.01 Incorporation. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, with full corporate power to enter into this Agreement and to perform its obligations hereunder.
- 7.02 <u>Authorization</u>. Purchaser has all requisite authority to enter into this Agreement. The execution and delivery of this Agreement by Purchaser, and the performance by Purchaser of its obligations hereunder, have been duly and validly authorized by all necessary corporate action of Purchaser. This Agreement has been duly executed and validly delivered by Purchaser and is legally binding on Purchaser.
- 7.03 No Conflict. The execution and delivery of this Agreement by Purchaser, and the performance by Purchaser of its obligations hereunder, does not (a) conflict with the charter documents or by-laws of Purchaser or (b) result in

the breach of any of the provisions of, constitute a default under, or give rise to a right of acceleration of any material obligation or to loss of a material benefit under any judgment, writ, permit, concession, franchise, license, order, decree or agreement to which Purchaser is a party or by which Purchaser is bound, which breach or default would materially adversely affect the ability of Purchaser to execute, deliver or perform its obligations under this Agreement.

7.04 <u>Sufficient Funds</u>. Purchaser has, and on the Scheduled Closing Date will have, sufficient funds to consummate the transactions contemplated hereby.

### ARTICLE 8.

## Disclaimer of Additional and Implied Warranties

8.01 Investigation and Evaluation. Purchaser acknowledges that (a) Purchaser is experienced in the operation of the type of business conducted by the Corporations, (b) Purchaser and its directors, officers, attorneys, accountants and advisors have been given the opportunity to examine to the full extent deemed necessary and desirable by Purchaser all books, records and other information with respect to the Corporations and their assets, (c) Purchaser has taken full responsibility for determining the scope of its investigations of the Corporations and their assets, and for the manner in which such investigations have been conducted, and has examined the Corporations and their assets to Purchaser's full satisfaction, (d) Purchaser is fully capable of evaluating the adequacy and accuracy of the information and material obtained by Purchaser in the course of such investigations, and (e) Seller is making no representations or warranties, express or implied, of any nature whatever with respect to the Corporations and their assets, other than the representations and warranties of Seller specifically set forth in Article 6.

- 8.02 Forecasts, Projections, etc. Purchaser acknowledges that (a) Purchaser has taken full responsibility for evaluating the adequacy, completeness and accuracy of various forecasts, projections, opinions and similar material heretofore furnished by Seller, the Corporations or their representatives to Purchaser in connection with Purchaser's investigations of the Corporations and their assets, and (b) there are uncertainties inherent in attempting to make projections and forecasts and render opinions, that Purchaser is familiar with such uncertainties, and that Purchaser is not relying on any projections, forecasts or opinions furnished to it by Seller, the Corporations or any affiliates thereof or any of their representatives.
- 8.03 Effect of Transfer of Shares. Purchaser acknowledges that it has taken full responsibility for evaluating the effects on the assets, properties and rights of each of the Corporations of the transfer of the Shares from Seller to Purchaser, and Seller shall have no liability on account of any legal questions concerning the effects of such transfer on such assets, properties and rights; provided, however, that nothing in this Section shall diminish Seller's obligations under Section 4.04.

#### ARTICLE 9.

### Covenants of Seller and Purchaser

9.01 Access and Inquiry. Between the date of this Agreement and the Closing Date, Purchaser shall have access to the Corporations' properties and assets and will, upon request, be permitted to contact and make reasonable inquiry of Seller's and the Corporations' personnel, accountants, counsel, bankers and other representatives regarding the business of the Corporations, specifically including, but not limited to, environmental audits and assessments of all Producing Properties and Related Facilities. Seller shall make available to Purchaser, for examination at GPC's offices in Oklahoma City or elsewhere as

appropriately available, title and other information, including but not limited to the following, insofar as the same are in Seller's or the Corporations' possession, and will cooperate with Purchaser in Purchaser's efforts to obtain, at Purchaser's expense, such additional information relating thereto as Purchaser may reasonably desire, including all information which is in the possession of third parties:

- (a) Title opinions and title status reports;
- (b) Copies of leases, prior conveyances of interests created thereby, unitization, pooling and operating agreements, division and transfer orders, mortgages, deeds of trusts, security agreements, chattel mortgages, financing statements, and other encumbrances not discharged and affecting the title to or the value of the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities;
- (c) Records relating to the payment of rentals, royalties, joint interest billings and other payments due under any Oil, Gas and Mineral Lease;
- (d) Records relating to filing of returns for or the payment of ad valorem, property, production, severance, excise, and similar taxes and assessments based on or measured by the ownership of property or the production of hydrocarbons or the receipt of proceeds therefrom on the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities;
- (e) Ownership maps and surveys relating to the Leased Properties,
  Oil, Gas and Mineral Leases, Producing Properties, Properties and Related
  Facilities;
- (f) Copies of all purchase, sale, processing, and transportation agreements relating to the production from the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities;

- (g) Copies of all agreements, leases, permits, easements, licenses, and orders relating to the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities;
  - (h) Production records relating to the Producing Properties;
- (i) Inventories of personal property and fixtures included in the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities:
- (j) Copies of all personnel and employee benefit records related to the Corporations' employees, to the extent access to such records is not a violation of law or the subject of an objection by the employee;
  - (k) Records related to the Corporations' bank and security accounts;
- (l) Accounting records and records concerning (i) taxes, (ii) engineering and technical data and (iii) geological and geophysical data, relating to the Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties and Related Facilities.

Seller shall cause the Corporations to permit Purchaser, at Purchaser's expense, to inspect all of the Corporations' operated Producing Properties (and Seller shall use its best efforts to cause third party operators of such Producing Properties to permit such inspections of non-operated Producing Properties), and to inspect and photocopy the information and records identified in this Section 9.01 at any reasonable time. Seller shall not be obligated to furnish any updated abstracts, title opinions, or additional title information, but shall cooperate with Purchaser in Purchaser's efforts to obtain, at Purchaser's expense, such additional title information as Purchaser may reasonably deem prudent.

Purchaser agrees that the terms of the Confidentiality Agreement shall apply to information gained by Purchaser pursuant to the foregoing and/or

previously made available to Purchaser to the same extent as if Purchaser were a party thereto and bound by the confidentiality provisions thereof.

9.02 Hart-Scott-Rodino Act. As promptly as practicable following the date of this Agreement, Seller and Purchaser shall file appropriate Notification and Report Forms under the HSR Act with respect to this Agreement and the transactions contemplated hereby. Seller and Purchaser shall cooperate to coordinate such filings, and to make reasonable efforts to respond to any governmental request or inquiry with respect thereto; but neither Seller, Purchaser nor any of their respective affiliates shall be required to make any payment (other than for reasonable legal fees) that it is not presently contractually required to make, divest any assets (including but not limited to assets of any of the Corporations), make any change in the conduct of its business or that of any Corporation, accept any limitation on the future conduct of its business or that of any Corporation, enter into any other agreement or arrangement with any person that it is not presently contractually required to enter into, accept any significant modification in any existing agreement or arrangement, or agree to any of the foregoing. Seller and Purchaser shall request early termination of the waiting period under the HSR Act upon the filing of the Notification and Report Form.

9.03 Permits and Licenses. As soon as practicable after the date hereof, Purchaser shall prepare and file with the appropriate permitting and licensing authorities applications for the issuance to Purchaser of all federal, state and local permits and licenses, if any, required for the Corporations to continue their businesses under ownership of Purchaser, and Purchaser will use all reasonable efforts to secure such licenses and permits. Seller shall assist Purchaser in preparation of such applications.

- 9.04 Notices to Third Parties. Seller and Purchaser shall cooperate to make all other filings and to give notice to all third parties that may reasonably be required to consummate the transactions contemplated by this Agreement.
- 9.05 Dividend of Certain Assets. Seller shall cause the Corporations to dividend or otherwise divest to a Grace Entity or other third party, prior to Closing, all of the Corporations' interests (real property, personal property, mixed property, or otherwise, and including, but not limited to, any royalties and overriding royalties in properties in which GPC owns a working interest, and the capital stock of Sourgasco II) in the Thomasville Field and the East Texas Region as more fully defined in the Grace Petroleum Corporation Confidential Brochure prepared by Merrill Lynch, but excluding any royalty or overriding royalty interests in properties in which GPC does not own a working interest within said East Texas Region.
  - 9.06 Post-Closing Covenants (Employees).
- (a) Transition Employees. Prior to Closing, Seller will cause all employees of the Corporations to be transferred to a Grace Entity, and shall provide the services of such employees to Purchaser at Closing ("Transition Employees"). At Closing, or as soon thereafter as practicable, but not later than May 31, 1993, Purchaser shall evaluate each of the Transition Employees and either offer regular employment to each such employee or employees or release each such employee or employees from the status as Transition Employees. Should Purchaser or the Corporations (i) offer continued employment to one or more of the Transition Employees under terms consistent with Seller's severance policy, and (ii) any such employee accepts Purchaser's offer, Seller shall have no obligation relating to severance payments or any termination payments (e.g., accrued vacation, etc.) due such employee. unless such employee is thereafter terminated by either the Corporations or Purchaser on a date which is the earlier of six

months following the date of hire by Purchaser of such employee ("Date of Hire") or September 30, 1993, in which event Seller shall retain responsibility for any such severance or termination payments.

Purchaser for the lesser of (i) one-half of the actual relocation costs ("Relocation Costs") attributable to each such employee or (ii) \$10,000 per employee. Such Relocation Costs shall be determined in accordance with Purchaser's relocation policies, provided, however, that such costs shall not include payments related to any decrease in the value of such relocated employee's residence nor a requirement to purchase such employee's residence. In the event Seller subsequently is required, pursuant to this Agreement, to pay severance or termination payments to any relocated employee, Purchaser shall return to Seller the amount of any Relocation Costs previously paid by Seller to such relocated employee.

Should Purchaser or the Corporations not offer employment to one or more of the Transition Employees, Seller shall retain all liabilities relating to such employees, including, but not limited to, such severance, and termination payments, COBRA claims and ERISA claims which may arise pursuant to the Employee Benefit Plans. Seller shall bill Purchaser monthly for all of its actual employment-related costs, incurred on or after January 1, 1993, attributable to such Transition Employees, including, but not limited to, salaries, payroll taxes, travel and other expenses, and all expenses related to the Transition Employees participation in the Employee Benefit Plans, including, but not limited to, all medical claims for services rendered and supplies furnished on and after January 1, 1993, and Grace Entities' contribution to the 401(k) Plan falling due after January 1, 1993, (all such costs being calculated in accordance with Seller's practices and rates existing as of the date hereof). Purchaser shall pay Seller for

such costs within thirty days of receiving such bill. Prior to May 31, 1993, Purchaser shall have (i) hired any Transition Employees it desires and (ii) notified Seller that it no longer has a need for any or all other Transition Employees. The period of time between the Closing and May 31, 1993 shall hereafter be referred to as the "Interim Period". During the Interim Period, Purchaser shall have sole and complete control of such Transition Employees, including, but not limited to, assignment of job duties, supervision of work and termination of the assignment of such Transition Employees to Purchaser.

Upon hiring by Purchaser, the Transition (b) Employee Benefits. Employees, shall (i) cease to participate in or be covered by the Employee Benefit Plans and policies and (ii) become entitled to participate in the employee benefit plans and policies maintained by Purchaser for their other similarly situated: employees in accordance with the terms and provisions of such plans and policies; provided, however, that (A) coverage under Purchaser's group medical, dental and short-term disability plans shall waive any waiting period requirements and preexisting condition restrictions to the extent necessary to provided immediate coverage as of such employees' Date of Hire and shall credit employees for the year during which the Closing Date occurs with any deductibles already incurred during such year under the Purchaser's group medical and dental plans. (B) coverage under Purchaser's group long-term disability plan shall waive any waiting period requirements and preexisting condition restrictions to the extent necessary to provide immediate coverage as of the Date of Hire but only (1) with respect to employees covered under the Corporations' group long-term disability plan immediately prior to the Date of Hire and (2) to the extent coverage was provided for such condition under the Corporations' group long-term disability plan immediately prior to the Date of Hire, (C) Purchaser's vacation policy, shortterm disability plan and education assistance program shall credit each employee

with prior service based upon his or her most recent period of continuous service with the Corporations as of the Date of Hire and Purchaser's Thrift and Retirement Plan shall credit the employees with service for eligibility and vesting purposes for the period prior to the Date of Hire with the service credited to the employees for such purposes as of the Date of Hire under the Corporations' 401(k). Plan and Trust.

- (c) Indemnification during Interim Period. The Transition Employees will continue to be the employees of a Grace Entity during the Interim Period. Purchaser shall indemnify and hold the Grace Entities harmless from and against any and all claims, demands, damage, liability, loss, cost, or deficiency of every kind and character arising in favor of any person (including, but not limited, to reasonable attorney's fees and other costs and expenses incident to proceedings or investigations or the defense of any claim) ("Damages" for purposes of this paragraph only) caused directly or indirectly by acts or omissions (including, but not limited to, negligence in whole or in part, and criminal acts) of Transition Employees during the Interim Period, and for injury or death to any Transition Employee occurring during the Interim Period. Purchaser also agrees to hold the Grace Entities harmless and indemnify them from all Damages related to claims of employment discrimination made by such Transition Employees during the Interim Period as a result of Purchaser's decision not to hire Transition Employees.
- (d) Employee Services Agreement. Seller and Purchaser, at the Closing, shall execute an employee services agreement that provides for the provision of services of Transition Employees to the Corporations or Purchaser after the Closing Date.
- (e) Excluded Properties Employee and Record Access: Purchaser shall cause the Corporations to allow the Seller and the buyer of the Corporations

former East Texas and Thomasville properties ("Excluded Properties") reasonable access to facilities, records and the Transition Employees in order to facilitate the prompt completion of the contractual obligation concerning the Excluded Properties which Seller may have with third parties, and/or Seller's completion of its administration of any Excluded Properties transferred to a Grace Entity and to turn over all applicable records concerning the Excluded Properties to Seller and/or purchaser. Seller and Purchaser shall, from time to time, designate a reasonable number of the Transition Employees to assist in such activities and Purchaser or the Corporations shall not be billed for said designated employees.

## 9.07 Post Closing Covenants (Title).

- defect, irregularity of title, incorrect calculation of, or differences in the dollar amounts remaining to be recouped until payout of back-in or other similar reversionary interests not reflected in the Tape, unobtained or refused consent to assign, call on production or any other circumstance or condition that alone or in the aggregate with other defects would cause the title of the Corporations in any Interests described in the Tape to be less or greater than Defensible Title shall be a title variance ("Title Variance").
- (b) Notice of Title Variances. From time to time during the period from the date of execution of this Agreement to June 1, 1993 (the "Title Examination Period"), Purchaser shall have the right (but not the obligation) to notify Seller of any Title Variance of which Purchaser becomes aware which decreases the net revenues attributable to the interest affected; and Purchaser shall have the obligation to notify Seller of any Title Variance of which Purchaser becomes aware which increases the net revenue attributable to the interest affected. Purchaser shall in such notice provide a reasonably detailed description of such Title Variance. Failure of Purchaser to notify Seller of a Title Variance of

which Purchaser has notice prior to June 1, 1993, which Title Variance decreases the net revenue interest attributable to the affected interest, shall constitute a waiver thereof by Purchaser. With respect to each notice of a Title Variance given during such period, which decreases the affected net revenue, Seller may; but shall have no obligation to, attempt to cure such Title Variance prior to July 1, 1993.

(c) Remedies for Title Variances. In the event that any Title Variance which decreases a net revenue interest is not cured or waived on or before July 1, 1993, Purchaser may, at its sole discretion, waive such Title Variance, or Seller shall, at its sole discretion, either (i) include as either an asset. or liability, as appropriate, in the calculation of Net Realizable Assets an amount equal to the proportionate difference in net revenue interest, multiplied by the net cash flow from such Interest as set forth in the Tape discounted to present value by a factor of 10% per annum, and further multiplied times 90% (ninety percent), or (ii) elect to indemnify Purchaser for such Title Variance which decreases the affected net revenue interest pursuant to Section 13.03. Such indemnification, if a Title Variance is finally adjudicated, shall be limited to the result of the formula set forth in Section 9.07(c)(i), plus Litigation Expenses. In the event that Purchaser elects the remedy set forth in Section 9.07(c)(i), no Title Variance having an individual value equal to or less than \$25,000 shall be submitted by Purchaser or considered in the calculation of Net Realizable Assets. Additionally, no Title Variances (after netting increases against decreases) having an individual value in excess of \$25,000 will be considered in the calculation of Net Realizable Assets until such time that the aggregate of such individual Title Variances having a value in excess of \$25,000, (after netting increases against decreases) exceeds \$250,000, at which time all such individual Title Variances (after netting increases against decreases), shall be submitted to

Seller and considered either an asset or a liability as appropriate in the calculation of Net Realizable Assets.

#### ARTICLE 10

## Covenants Relating to Conduct of Business Prior to the Closing

Except as otherwise consented to in writing by Purchaser, from the date of this Agreement until the Closing:

Operation in Ordinary Course. Seller shall cause the Corporations to carry on their respective businesses in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent with such businesses, use reasonable efforts to (a) preserve. intact their present business organizations, (b) keep available the services of their present officers and employees, and (c) preserve their relationships with customers, suppliers and others having business dealings with them toward the end of preserving their goodwill and ongoing businesses. Specifically, Seller shall cause the Corporations (a) not to abandon any material part of the Producing Properties (except the abandonment of Oil, Gas and Mineral Leases upon the expiration of their respective terms or upon cessation of production in paying quantities or to the extent such abandonment occurs as a result of Purchaser's direction to the Corporations), or (b) not to commence any material operations on any single lease or unit which is a part of the Producing Properties, anticipated to cost the owner of such asset in excess of \$25,000 except for emergency operations, operations required under contractual obligations in effect on the date hereof, operations to avoid any penalty provision of any applicable agreement or order, and except to the extent such operations are approved by Purchaser.

10.02 <u>Material Agreements</u>. Seller shall not permit any of the Corporations to enter into any agreement with either third parties or the Grace

Entities, except in the ordinary course of business, which ordinary course of business shall be deemed to include execution of or cancellation of contracts for the sale of gas only to the extent the term of such contracts does not extend for a period in excess of thirty (30) days.

10.03 <u>Dividends</u>. Except as set forth in Section 9.05, Seller shall not permit the declaration or payment of any dividend in respect of, or the repurchase or redemption of any of, the capital stock or assets of GPC or the Corporations; provided, however, that the foregoing shall not be construed to prevent the transfer of funds pursuant to Seller's cash management program.

10.04 <u>Issuance of Securities</u>. Except as set forth in the schedule to this Section, Seller shall not permit any of the Corporations to issue, deliver or sell, or authorize or propose the issuance, or delivery or sale of, any shares of its capital stock of any class, any Voting Debt or any securities convertible into, or any rights, warrants or options to acquire, any such shares, Voting Debt or convertible securities.

10.05 <u>Governing Documents</u>. Seller shall not permit any of the Corporations to amend or propose to amend its Certificate of Incorporation or Bylaws.

No Acquisitions. Seller shall not permit any of the Corporations to acquire, or agree to acquire, by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business, oil and gas properties or any corporation, partnership, association or other business organization or division thereof.

10.07 <u>No Dispositions</u>. Seller shall not permit any of the Corporations to sell, lease or otherwise dispose of, or agree to sell, lease or otherwise dispose of, any of its assets, other than oil and gas production.

- 10.08 <u>Indebtedness</u>. Seller shall not permit any of the Corporations to incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities of the Corporations or guarantee any debt securities of others.
- 10.09 <u>Employee Benefit Plans, Etc.</u> Seller shall not permit any of the Corporations to adopt any collective bargaining agreement or Employee Benefit Plan.
- 10.10 Compensation, Etc.. Seller shall not, after the date hereof, permit any of the Corporations to grant to any employee any increase in compensation, including, but not limited to, salary, bonuses, insurance benefits, company cars, club memberships, expense and travel allowances, etc., or in severance or termination pay, or enter into any employment agreement with any employee, or hire or, except in the ordinary course of business, terminate any employee or independent contractor of the Corporations.
- 10.11 <u>Capital Expenditures: Purchase Orders.</u> Except for emergency actions taken at the field level, Seller shall not permit any of the Corporations to (i) make any capital expenditures or any commitments therefor in excess of \$25,000 or (ii) enter into any purchase order in excess of \$25,000.
- Purchaser, as agent for GPC, shall distribute to the Corporations' employees (i) any notices, as prepared by Purchaser, which Purchaser believes are required by the Worker Adjustment and Retraining Notification Act ("WARN") and (ii) any employment material related to Purchaser. Purchaser shall indemnify Seller and each Grace Entity and hold each of them harmless from and against any Damages caused by or arising out of any claims under the WARN that is the result of decisions made or actions taken by the Purchaser, or Seller at the direction of

Purchaser. For the purposes of this Section 10.12 only, Damages shall mean only those liabilities arising from the legal deficiency of such WARN notices.

- 10.13 Other Actions. Seller shall not permit any of the Corporations to take any action that would or might result in any of the representations and warranties of the Seller set forth in this Agreement becoming untrue.
- 10.14 Advice of Changes. Seller shall promptly advise Purchaser orally and in writing of any change or event having, or which, insofar as can reasonably be foreseen, would have, a Material Adverse Effect.
- 10.15 Settlement Release and Waiver of Claims. Except as set forth on the Schedule to this Section, and except as set forth in Section 13.06(a), Seller shall not permit any of the Corporations to enter into any arrangement to settle or release any claim for damages or cause of action that the Corporations may have against any third party.

## ARTICLE 11.

# Conditions Precedent to the Obligations of Purchaser

All obligations of Purchaser under this Agreement are subject, at Purchaser's option, to the fulfillment prior to or at the Closing, of each of the following conditions:

- 11.01 Accuracy of Representations and Warranties. Each and every representation and warranty of Seller under this Agreement shall be true and accurate in all material respects as of the date when made and as of the Closing, except for changes in the ordinary course of business between the date of this Agreement and the Closing, none of which alone or in the aggregate has a Material Adverse Effect.
- 11.02 <u>Performance of Covenants and Agreements</u>. Seller shall have fully performed in all material respects at or prior to the Closing all of the

covenants and agreements required to be performed by Seller at or prior to the Closing in accordance with this Agreement.

Release of Liens. Except for the Permitted Encumbrances, on or before the Closing Date, Seller shall have caused the recordation in the appropriate governmental offices of releases of any and all liens, mortgages, deeds of trust, security interests or similar instruments which encumber either the Shares or the Corporations' Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties or Related Facilities.

11.04 Inspection of Properties. Purchaser shall have completed and delivered to Seller an environmental inspection (the "Inspection Report") of the Producing Properties and Related Facilities on or before the 15th day following the date of this Agreement. Such Inspection Report shall set forth the results of Purchaser's inspection of the Producing Properties and Related Facilities and shall include Purchaser's estimate of the costs necessary to remedy, in the sole determination of Purchaser made in good faith after consultation with appropriate experts, any violations or potential violations of Environmental Laws or any potential or actual Third Party Claims (as defined in Section 13.01) (the "Remediation Costs"). Said Remediation Costs shall include, but shall not be limited to, investigation and assessment costs, remedial and clean-up costs, damages to third parties, fines and attorneys fees and expenses. Subject to the limitations set forth below, the Purchase Price shall be adjusted downward in an amount equal to said Remediation Costs, provided, however, that in the event Seller disputes the amount of such Remediation Costs, Purchaser and Seller shall , on or before the Closing, negotiate a mutually acceptable adjustment to the Purchase Price and in such event the Purchaser shall accept and assume any continuing liability related thereto, or in lieu of such adjustment to the Purchase Price, Seller and Grace at their sole discretion, shall either (i) indemnify and hold harmless Purchaser and the Corporations for such continuing liability; or (ii) cause the Corporations to assign, prior to Closing, the affected Producing Property or Related Facilities, to Seller or Seller's designee, in which event the Purchase Price shall be reduced by an amount equal to the product of the amount of net cash set forth in the Tape discounted to present value by a factor of 10% per annum, multiplied times 90 percent. Purchaser shall assume and hereby agrees to indemnify and hold Seller and Grace harmless for all liabilities for violations or potential violations of Environmental Laws or any potential Third Party Claims with respect to the Producing Properties which were not identified on the Inspection Report as being in violation or potential violation of Environmental Laws or the subject of potential Third Party Claims

In the event that the Purchase Price is to be adjusted downward as set forth above, no Remediation Costs applicable to a single Producing Property or Related Facility and totaling less than \$25,000 shall be included in such adjustment to the Purchase Price. Additionally, no Remediation Cost applicable to a single Producing Property or Related Facility and totaling \$25,000 or more shall be included in such adjustment to the Purchase Price until such time that the aggregate of such individual Remediation Costs in excess of \$25,000 exceeds \$250,000, at which time all Remediation Costs relating to a single Producing Property or Related Facility and totaling \$25,000 or more shall be included in the downward adjustment to the Purchase Price.

11.05 <u>Hart-Scott-Rodino Act.</u> All waiting periods under the HSR Act applicable to the transactions contemplated by this Agreement shall have expired, by passage of time or by valid early termination by the FTC or the DOJ; no representative of either the FTC or the DOJ shall be taking the position that any of such waiting periods has not commenced to run or has not expired for any reason; and no representative of either the FTC or the DOJ shall have requested a

delay of the Closing for a period which has not expired, which request has not been withdrawn.

- 11.06 Permits, Consents, etc. There shall be no material permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Authority required in connection with the transactions contemplated by this Agreement which has not been accomplished or obtained and which may not be accomplished or obtained after the Closing.
- Litigation. No action, suit, proceeding, investigation, inquiry or request for information by any third person (including but not limited to any Governmental Authority) shall have been instituted or threatened against Seller or Purchaser or any of their respective affiliates that questions or reasonably may be expected to lead to subsequent questioning of, the validity or legality of this Agreement, or the transactions contemplated hereby which, if successful, would materially adversely affect the right of Purchaser to consummate the transactions contemplated by this Agreement or to continue the businesses of the Corporations substantially as currently conducted.
- certificate of Seller signed by the President or any Vice President of Seller certifying that (i) each and every representation and warranty of Seller under this Agreement was true and accurate in all material respects as of the date when made and is true and accurate in all material respects as of the Closing, except for changes in the ordinary course of business between the date of this Agreement and the Closing, none of which alone or in the aggregate has a Material Adverse Effect; and (ii) Seller has fully performed in all material respects at or prior to the Closing all of the covenants and agreements required to be performed by Seller at or prior to the Closing in accordance with this Agreement.

- 11.09 Opinion of Seller's Counsel. Seller shall have delivered to Purchaser an opinion of its General Counsel, dated the Closing Date, in the form of Exhibit D.
- 11.10 Tax Credits: Seller shall have afforded Purchaser access to all personnel, records, documentation and calculations necessary to permit Purchaser to verify and complete all required calculations, documentations and filings to preserve for the Corporations all Section 29 tax credits applicable to tight sands, coal seam and Devonian shale production. Should Purchaser determine in good faith as a result of such verification that certain such expected tax credits are unavailable due to regulatory deficiencies or failure to drill, the Purchase Price shall be adjusted as follows:
- (a) In the event such verification reveals that the Corporations failed to spud prior to December 31, 1992 any coal seam or tight sands, Section 29 non-Devonian Shale wells identified in Exhibit C (the "Tight Sands Wells"), the value of future tax credits applicable to such wells shall be included as a liability in the calculation of Net Realizable Assets. Such Tight Sands Wells tax credits will be valued as follows:
- (i) the estimated MCF production as shown on the Tape of each Tight Sands Well that is not spudded by December 31, 1992 shall be multiplied by \$.52 and
- (ii) such product shall be discounted to present value at the rate of 10% per annum.
- (b) As of the date of this Agreement, the Corporations plan to have previously completed or to have spudded, prior to December 31, 1992, a total of 95 Devonian Shale wells located in the Antrium Field, Michigan (the "Devonian Shale Wells"). If the total number of Devonian Shale wells is different than 95, the following shall occur:

- (i) In the event the Corporations fail to spud one or more of such Devonian Shale Wells prior to December 31, 1992, the value of future tax credits applicable to and/or gas production attributable to such Devonian Shale Wells shall be included as a liability in the calculation of Net Realizable Assets. Such Devonian Shale Wells tax credits and/or gas production will be valued as follows:
- (a) the Net Realizable Assets shall be reduced by \$60,000 for each Devonian Shale Well that is not spudded on or before December 31, 1992 and
- (b) the Net Realizable Assets shall be reduced by an additional \$125,000 for each Devonian Shale Well that is not spudded by March 1, 1993.
- (ii) In the event the Corporations spud more than 95 Devonian Shale Wells prior to December 31, 1992, the value of future tax credits applicable to and/or gas production attributable to such additional Devonian Shale Wells shall be included as an asset in the calculation of Net Realizable Assets. Such additional Devonian Shale Wells' tax credits and/or gas production will be valued as follows:
- (a) the Net Realizable Assets shall be increased by \$60,000 for each Devonian Shale Well in excess of the planned 95 Devonian Shale Wells that is spudded on or before December 31, 1992 and
- (b) the Net Realizable Assets shall be increased by an additional \$125,000 for each Devonian Shale Well in excess of the planned 95 Devonian Shale Wells that is spudded by March 1, 1993.
- 11.11 <u>Board Approval.</u> W. R. Grace & Co.'s, Grace's, Seller's and Purchaser's boards of directors shall have approved the transactions contemplated hereby.

#### ARTICLE 12.

### Conditions Precedent to the Obligations of Seller

All obligations of Seller under this Agreement are subject, at Seller's option, to the fulfillment prior to or at the Closing, of each of the following conditions:

- 12.01 Accuracy of Representations and Warranties. Each and every representation and warranty of Purchaser under this Agreement shall be true and accurate in all material respects as of the date when made and as of the Closing.
- 12.02 <u>Performance of Covenants and Agreements</u>. Purchaser shall have fully performed in all material respects at or prior to the Closing all of the covenants and agreements required to be performed by Purchaser at or prior to the Closing in accordance with this Agreement.
- 12.03 <u>Hart-Scott-Rodino Act</u>. All waiting periods under the HSR Act applicable to the transactions contemplated by this Agreement shall have expired, by passage of time or by valid early termination by the FTC or the DOJ; no representative of either the FTC or the DOJ shall be taking the position that any of such waiting periods has not commenced to run or has not expired for any reason; and no representative of either the FTC or the DOJ shall have requested a delay of the Closing for a period which has not expired, which request has not been withdrawn.
- 12.04 Permits, Consents, etc. There shall be no material permit, consent, approval or authorization of, or declaration to or filing with, any Governmental Authority required in connection with the transactions contemplated by this Agreement which has not been accomplished or obtained and which may not be accomplished or obtained after the Closing.
- 12.05 <u>Litigation</u>. No action, suit, proceeding, investigation, inquiry or request for information by any third person (including but not limited to any Governmental Authority) shall have been instituted or threatened against Seller or Purchaser or any of their respective affiliates that questions, or reasonably

could be expected to lead to subsequent questioning of, the validity or legality of this Agreement, or the transactions contemplated hereby which, if successful, would affect the right of Seller to consummate the transactions contemplated hereby or might involve possible material liability on the part of the Seller or any of its subsidiaries or affiliates.

- a certificate of Purchaser signed by the President or any Vice President of Purchaser certifying that: (i) each and every representation and warranty of Purchaser under this Agreement was true and accurate in all material respects as of the date hereof and is true and accurate in all material respects as of the Closing; and (ii) Purchaser has fully performed in all material respects at or prior to the Closing all of the covenants and agreements required to be performed by Purchaser at or prior to the Closing in accordance with this Agreement.
- 12.07 Opinion of Purchaser's Counsel. Purchaser shall have delivered to Seller an opinion of Purchaser's General Counsel dated the Closing Date in the form of Exhibit E.
- 12.08 <u>Board Approval</u>. Seller's, Purchaser's, Grace's and W. R. Grace & Co.'s boards of directors shall have approved the transactions contemplated hereby.

#### ARTICLE 13.

### Indemnification

- 13.01 Definitions. As used in this Article:
- (a) "COBRA Claims" means any and all expenses incurred by Purchaser or the Corporations, net of COBRA insurance premiums received by Purchaser or its insurance carrier, as a result of the extension of health insurance benefits to the Corporations' employees, former employees, and such persons' dependents, by Seller or Purchaser, as the case may be, as required by COBRA

and the rules and regulations promulgated thereunder; provided, however, that COBRA Claims shall not include claims under COBRA by employees who were hired by Purchaser or any entity of Purchaser and who are still employed by Purchaser or any entity of Purchaser six months after the employee's Date of Hire or September 30, 1993, whichever is the earlier.

- (b) "Damages" means any and all penalties, fines, damages, liabilities, interest, losses or costs (including, without limitation, Litigation Expenses incident to Indemnified Claims but in any event excluding consequential damages and damages for lost profits which may be awarded to Purchaser or the Corporations).
  - (c) "Direct Claims" means claims other than Third Party Claims.
- (d) "Indemnified Claims" means all Purchaser Claims and all Seller Claims.
- (e) "Litigation Expenses" means reasonable attorneys' fees and other costs and expenses (including actual cost of in-house counsel in a situation where Seller has allowed Purchaser to assume the defense of litigation and Purchaser's lead counsel is an employee of Purchaser) incident to proceedings or investigations respecting, or the prosecution or defense of, a claim.
- (f) "Purchaser Claims" shall mean all claims indemnifiable by Seller and Grace pursuant to Sections 13.03 (as limited by Section 13.04) and 13.06.
- (g) "Seller Claims" shall mean all claims indemnifiable by Purchaser pursuant to Section 13.02.
- (h) "Third Party Claims" means any and all claims, demands, suits, actions or proceedings by any person or entity, other than Purchaser or Seller or their respective affiliates, arising prior to the Closing Date.
- (i) "Post Closing Claims" means any and all claims, demands, suits, actions or proceedings by any person or entity, other than Purchaser or Seller or

their respective affiliates, arising after the Closing Date, to the extent such claim relates to post-closing activities of the Corporations and specifically excluding claims arising from the action or inaction of the Corporations prior to the Closing Date.

## 13.02 General Indemnification by Purchaser.

- Purchaser shall indemnify Seller and save and hold Seller harmless from and against any Damages caused by or arising out of (i) the failure of Purchaser to perform or fulfill any agreement or covenant to be performed or fulfilled by it under this Agreement, (ii) any inaccuracy in any representation or breach of any warranty of Purchaser set forth in Article 7, (iii) any indemnifiable tax claims as set forth in Article 17, (iv) the matters set forth in Section 10.12 and (v) the matters set forth in Section 11.04.
- (b) The representations and warranties of Purchaser set forth in Article 7 shall survive the Closing.
- (c) Subject to the terms, conditions and limitations of this Article, Purchaser shall indemnify and hold harmless the Seller Group from and against any and all Damages caused by or arising out of those obligations or liabilities of the Corporations as set forth in the schedule to this Section for which any of the Seller Group has expressly provided a guaranty.
- (d) Subject to the terms, conditions and limitations of this Article, Purchaser shall indemnify Seller and save and hold Seller harmless from and against any Damages caused by or arising out of Post-Closing Claims.
- (e) Except as provided in Section 13.02(f), Purchaser's obligation to indemnify Seller and Grace under this Section 13.02 shall expire and be of no further force and effect on the third anniversary date of the Closing Date, except with respect to claims Seller or Grace have asserted against Purchaser in writing,

setting forth with reasonable specificity the nature of such claim, on or before such date.

(f) Purchaser's obligation to indemnify Seller and Grace under Section 13.02(a)(iii) shall expire and be of no further force and effect on the tenth anniversary date of the Closing, except (i) to the extent Purchaser has tolled the funning of the statute of limitations by written agreement with a Governmental Authority, in which event Purchaser's obligation to indemnify will be extended by the period of tolling, and (ii) except with respect to claims Seller or Grace have asserted against Purchaser in writing, setting forth with reasonable specificity the nature of such claim, on or before such date.

# 13.03 General Indemnification by Seller and Grace

(a) Subject to the terms, conditions and limitations of this Article, Seller and Grace shall indemnify Purchaser and the Corporations and save and hold Purchaser and the Corporations harmless from and against any Damages caused by or arising out of (i) the failure of Seller to perform or fulfill any agreement or covenant to be performed and fulfilled by it under this Agreement, (ii) any inaccuracy in any representation or breach of any warranty of Seller set forth in Article 6, (iii) the environmental condition of any oil, gas and mineral leases and any other properties, including, but not limited to, gas plants and treatment facilities in which any of the Corporations or their respective predecessors previously owned an interest but in which the Corporations or any of their respective predecessors no longer own an interest as of the Closing Date, (iv) the environmental condition of any Leased Properties, Oil, Gas and Mineral Leases, Producing Properties, Properties or Related Facilities as set forth in the schedule to Section 6.09 or as assumed by Seller pursuant to Section 11.04, but excluding from this indemnification claims for violations of any environmental laws that would not have been a violation of the Environmental Laws, as defined:

(v) all Third Party Claims for unpaid royalties, revenue payments or tax payments attributable to periods or transactions which occurred prior to the Closing Date and including, but not limited to, such claims by mineral owners, working interest owners, or taxing authorities arising out of gas plant assessments, contractual settlements of take-or-pay claims, gas purchase contract buy-downs, government pricing regulations or like occurrences, (vi) all other Third Party Claims, except those arising out of the litigation listed in the schedule to Section 6.05 and not listed in Section 13.06 and except as otherwise provided in this Section and except for such as are assumed by Purchaser hereunder (vii) any employment related matters which have not been assumed by Purchaser pursuant to the terms and provisions of this Agreement, (viii) any claims relating to Title Variances as provided in Section 9.07(c)(ii), (ix) any indemnifiable tax claims as set forth in Article 17 and (x) the rents, costs, charges and expenses for leases covering office space of the Corporations located in Oklahoma City, Oklahoma (the "Oklahoma City Office"). It is agreed by the parties that the Corporations may continue to occupy said Oklahoma City Office through May 31, 1993 upon payment of the same rental rate as set forth in said leases (for which payments Seller shall not be liable) and thereafter on like terms if such Oklahoma City Office space remains available, it being recognized that Seller will attempt to renegotiate said lease and if successful, said space will not be available after May 31, 1992. Purchaser will indemnify and hold Seller and Grace harmless from all liabilities in connection with said lease other than for rents, costs, charges and Specifically excluded from the foregoing indemnities are claims relating to the environmental condition of any Oil, Gas and Mineral Leases and any other properties owned by the Corporations as of the Closing Date which were inspected by Purchaser and for which Purchaser assumed responsibility pursuant to Section 11.04. Provided, however, that the immediately preceding sentence

shall not be deemed to affect the indemnity provided by Seller and Grace pursuant to Section 13.03(a)(iv).

- (b) Seller's and Grace's obligation to indemnify Purchaser under Section 13.03(a)(i),(ii),(vii),(viii) and (x) shall expire and be of no further force and effect on the third anniversary of the Closing Date, except with respect to claims Purchaser has asserted against Seller in writing, setting forth with reasonable specificity the nature of such claim, on or before such date.
- (c) Seller's and Grace's obligation to indemnify Purchaser under Section 13.03(a)(v) shall expire and be of no further force and effect on the fifth anniversary of the Closing Date, except with respect to claims Purchaser has asserted against Seller in writing, setting forth with reasonable specificity the nature of such claim, on or before such date.
- (d) Seller's and Grace's obligation to indemnify Purchaser under Section 13.03(a)(ix) shall expire and be of no further force and effect on the tenth anniversary date of the Closing, except (i) to the extent Seller or Grace has tolled the running of the statute of limitations by written agreement with a Governmental Authority, in which event Seller's and Grace's obligation to indemnify will be extended by the period of tolling, and (ii) except with respect to claims Purchaser has asserted against Seller in writing, setting forth with reasonable specificity the nature of such claim, on or before such date.
- (e) Seller's and Grace's obligation to indemnify Purchaser under Section 13.03(a)(iii) and (iv) shall continue without limitation of time.

#### 13.04 Limitations.

(a) Notwithstanding the provisions contained herein and subject to the further provisions of Section 9.07 regarding Title Defects, Seller and Grace shall have no liability to indemnify Purchaser or the Corporations for any claim under Section 13.03 unless the amount of such individual claim exceeds \$25,000

and the aggregate of such individual claims in excess of \$25,000 exceeds \$250,000, at which point the aggregate of all such claims shall be subject to such indemnification.

- (b) The dollar threshold and limitations set forth in this Section have been negotiated for the special purposes of the provisions in which they appear, and are not to be taken as evidence of the level of "materiality" for purposes of any statutory or common law which may be applicable to the transactions contemplated by this Agreement under which a level of materiality might be an issue.
- 13.05 Defense of Third Party Claims. Purchaser shall notify Seller in writing promptly after learning of any Third Party Claims or claim under Section It shall be a necessary condition of any claim by Purchaser for 13.06. indemnification under this Article with respect to any Third Party Claims or claim under Section 13.06, that Purchaser tender the defense thereof (including control over all negotiation, trial, appeal or other proceedings) to Seller. If Purchaser does not so tender such defense within 30 days of learning of such Third Party Claims or claim under Section 13.06, Purchaser shall be deemed to have waived all rights to indemnification or payment with respect to such Third Party Claims or claim under Section 13.06. Seller may undertake such defense and assume responsibility for payment of all related Litigation Expenses by notice to Purchaser not later than 10 days after receipt of a notice that the defense is tendered to it. Failure by Seller to so notify Purchaser that it will undertake such defense and assume all related Litigation Expenses shall be deemed to be a waiver of Seller's right to undertake such defense. If Seller undertakes defense of any Third Party Claims or claim under Section 13.06, Purchaser shall cooperate with Seller and its counsel in the investigation and defense thereof, and may participate in such investigation and defense, but Seller shall retain control of the

negotiation, tactics, trial, appeals and other matters and proceedings related thereto, provided, however, that Seller shall not undertake the settlement of any Third Party Claims or claim under Section 13.06 that will adversely affect the ongoing operations of or revenues derived from any asset of the Corporations without the prior written consent of Purchaser. If Seller does not undertake the defense of any Third Party Claims or claim under Section 13.06, Purchaser may undertake such defense and Seller shall cooperate with Purchaser and its counsel in the investigation and defense thereof and Seller and Grace shall assume responsibility for payment of all related Litigation Expenses. Purchaser shall permit Seller, at Seller's own expense, to participate in the investigation and defense thereof, but Purchaser shall control such investigation and defense, as well as the negotiation, tactics, trial, appeals and other matters and proceedings related thereto. Purchaser and Seller agree to make available to each other, their counsel and other representatives, all information and documents available to them which relate to any Third Party Claims or claim under Section 13.06, and to render to each other such assistance as may reasonably be required in order to ensure the proper and adequate defense of such Third Party Claims or claim under Section 13.06. Except pursuant to a final judgment rendered thereon, Purchaser shall not pay or settle any Third Party Claims or claim under Section 13.06, whether or not any action or proceeding has been commenced thereon, without the prior written consent of Seller. If Purchaser pays or settles any Third Party Claims or claim under Section 13.06 prior to a judgment thereon without such consent. Purchaser shall be deemed to have waived all rights to indemnification or payment with respect to such Third Party Claims or claim under Section 13.06.

## 13.06 Specific Indemnities by Seller and Grace.

- (a) Notwithstanding the provisions of Sections 13.03 and 13.04, Seller and Grace shall indemnify Purchaser and the Corporations and save and hold Purchaser and the Corporations harmless from and against any Damages suffered by the Corporations or Purchaser arising out of the following litigation:
- (i) Slane, et al. v. Exxon Corp., et al. (including GPC). Cause No. 92-C-241-B, filed in the United States District Court for the Northern District of Oklahoma.
- (ii) Cole v. Phillips Petroleum Co., et al. (including GPC) Cause No. 90-17868, filed in the 11th Judicial District Court of Harris County, Texas.
  - (iii) Alford, et al. v. Estate of Felton L. Leggett, et al. (including GPC).
- (iv) Williamson, et al. v. Grace Petroleum Corp., et al. (including GPC).
  - (v) Blackburn, et al. v. Grace Petroleum Corp., et al.
- (vi) Cheyenne-Arapaho. Tribes of Oklahoma v. United States of America, et al.
  - (vii) .HBOP, Ltd., v. W. R. Grace & Co, et al. (including GPC)
    (viii) Schulte, et al. v. Apache Corporation
- each as more particularly described in the schedule to Section 6.05. Seller shall retain all responsibility for and shall have sole control over the settlement, negotiation, tactics, trial, appeals and other matters and proceedings related thereto. Purchaser and GPC shall make available to Seller all information, documents and personnel that Seller may reasonably request in order to assist Seller in and ensure the proper and adequate defense of such litigation.
- (b) Seller and Grace shall indemnify Purchaser and save and hold Purchaser harmless from and against any COBRA Claims.

- (c) Seller and Grace shall indemnify Purchaser and save and hold Purchaser harmless from and against any claims asserted by any employee, former employee or dependent or any Governmental Authority which arise out of the Employee Benefit Plans
- (d) Seller and Grace shall indemnify Purchaser and save and hold Purchaser harmless from and against all liabilities set forth in Section 5.04.
- 13.07 Consequential and Lost Profit Damages. Except to the extent awarded to a third party against either the Corporations, Seller or Purchaser, neither party shall seek consequential damages or damages for lost profits in any claim for indemnification under this Article, nor shall it accept payment of any award or judgment to the extent that such award or judgment rendered in favor of one party against the other party includes consequential damage or damages for lost profits.

#### ARTICLE 14.

## Cooperation in Various Matters

- 14.01 <u>Mutual Cooperation</u>. Each party to this Agreement shall cooperate with the other party, which cooperation shall include the furnishing of testimony and other evidence, permitting access to employees and providing information regarding the whereabouts of former employees, as reasonably requested by such other party in connection with the prosecution or defense of any claims or other matters relating to the Corporations or their assets.
- 14.02 <u>Preservation of Purchaser's Files and Records</u>. For a period of six years after the Closing, Purchaser shall preserve all files and records relating to the Corporations that are less than six years old, shall allow Seller or its designee access to such files and records and the right to make copies and extracts therefrom at any time during normal business hours and shall not dispose of any thereof; provided, that during the sixth year after the Closing, Purchaser shall

give Seller written notice of its intention to dispose of any part thereof upon expiration of said six (6) year period, and Seller may, within a period of sixty (60) days after receipt of said notice, notify Purchaser of Seller's desire to retain one or more of the items to be disposed of. Purchaser shall, upon receipt of such notice from Seller, at Seller's expense, deliver to Seller the items specified in Purchaser's notice to Seller which Seller has elected to retain.

- 14.03 Preservation of Seller's Files and Records. For a period of six years after the Closing, Seller shall preserve all files and records in Seller's possession relating to the Corporations that are less than six years old, shall allow Purchaser access to such files and records and the right to make copies and extracts therefrom at any time during normal business hours, and shall not dispose of any thereof.
- 14.04 <u>Preparation of Reports, etc.</u> Purchaser shall cooperate and cause its employees to cooperate with Seller in the preparation, in accordance with Seller's instructions, of financial and other reports and statements relating to the Corporations for periods ending on or prior to the Closing Date.
- Amendment of Guaranteed Agreements, etc. Without the prior written consent of Seller, which consent may be granted or refused at Seller's discretion, Purchaser shall not, and shall not permit any of the Corporations, to amend, modify or extend the term of any agreement or other arrangement under which any of Seller Group has any liability, whether by guaranty or otherwise.
- 14.06 <u>Press Releases</u>. Either party shall use reasonable efforts to allow the other to review the proposed language of any press release or public announcement with respect to this Agreement or the transactions contemplated hereby, and shall cooperate with the other in resolving any disagreements that they may have regarding any such proposed language, provided, however, that in

no press release issued by either party will the identity of Purchaser or any of Purchaser's affiliates be disclosed.

## 14.07 Administration of Accounts Receivable.

- (a) No later than March 15, 1993, and upon reasonable request thereafter, Purchaser shall deliver to Seller a listing of any and all accounts receivable which Purchaser believes at that time may not be collectible, together with supporting detail.
- (b) Cash payments received by Purchaser subsequent to Closing for accounts receivable as of December 31, 1992 which have not, or are not specifically identifiable as to what invoice or period payment is applicable shall be applied to the oldest outstanding accounts receivable balance.
- (c) Purchaser shall not settle disputed accounts receivable balances as of November 30, 1992 for less than 95% of such balance without the prior consent of Seller.

#### ARTICLE 15.

## Expenses; Termination of Services; Change of Name

Expenses. Each party to this Agreement shall pay all expenses incurred by it or on its behalf in connection with the preparation, authorization, execution and performance of this Agreement, including, but not limited to, all fees and expenses of agents, representatives, counsel and accountants engaged by it, except that Purchaser shall be solely responsible for (a) the cost of obtaining title insurance with respect to the Properties or Producing Properties; and (b) the costs and expenses incurred in connection with obtaining all permits and licenses required by Purchaser or any of the Corporations to continue their businesses after the Closing.

- Termination of Seller Services. All contracts, agreements, commitments or other arrangements, whether written or oral, and whether express or implied, pursuant to which Seller or any of its affiliates provides legal, financial, accounting, insurance or other services to the Corporations shall be terminated as of the Closing. Purchaser shall execute and deliver to Seller, at Seller's request, documents necessary or desirable to release Seller and any such affiliate from any obligations with respect to such terminated contracts, agreements, commitments and arrangements and to otherwise confirm such termination.
- Broker's Fees. Each party to this Agreement shall hold the other party harmless with respect to any broker's, finder's or other similar agent's fee with respect to the transactions contemplated hereby claimed by any broker, finder or similar agent engaged, employed by or otherwise acting on behalf of the indemnifying party.
- 15.04 <u>Use of Grace Name</u>. Immediately after the Closing, Purchaser shall take all necessary actions to cause (a) GPC to change its corporation name to exclude the name "Grace" or any variation thereof, and (b) the Corporations to cease using the "Grace" name on any of their assets or properties (including printed forms) or in connection with their operations. Notwithstanding the foregoing, the Corporations shall be permitted to continue to use the "Grace" name on the Related Facilities for a period of six months after the Closing, but only to the extent it is not practicable to remove or cover-up the "Grace" name therefrom.

#### ARTICLE 16.

#### . Notices

16.01 <u>Procedure and Addresses</u>. All notices, requests, demands and other communications required or permitted to be given hereunder shall be

deemed to have been duly given if in writing and delivered personally or by facsimile transmission or courier service, at the following addresses:

## If to Seller:

Two Galleria Tower Suit 1500 13455 Noel Road Dallas, Texas 75240-6681 Attention: Legal Division

Attention: Legal Division Facsimile number: (214) 772-0215 Confirmation number: (214) 770-0200

### With a copy to:

W. R. Grace & Co.
One Town Center Road
Boca Raton, Florida 33486-1010
Attention: Secretary
Facsimile number: (407) 362-1635
Confirmation number: (407) 362-1645

## If to Purchaser:

Samson Investment Company Two West Second Street Tulsa, Oklahoma 74103 Attention: C. Philip Tholen Facsimile number (918) 58

Facsimile number: (918) 583-0829 Confirmation number: (918) 583-1791

#### With a copy to: .

Samson Investment Company Two West Second Street Tulsa, Oklahoma 74103 Attention: Jack A. Canon

Facsimile number: (918) 587-6018 Confirmation number: (918) 583-1791

16.02 Change of Notice Address. Any party may change the address to which such communications are to be directed to it by giving written notice to the other party in the manner provided in Section 16.01.

#### ARTICLE 17.

## Tax Matters

- Sales, use, transfer, stamp, conveyance, value added or other similar taxes, duties, excises or governmental charges imposed by any taxing jurisdiction, domestic or foreign, and all recording or filing fees, notarial fees and other similar costs of Closing with respect to the transfer of the Shares pursuant to this Agreement. Purchaser, with respect to such taxes, shall timely prepare and file, or shall cause to be timely prepared and filed with the appropriate Governmental Authority all tax returns, reports and forms that are required and due to be filed after Closing Date and to pay, or cause to be paid all taxes due with respect to such returns, reports and forms. This Section 17.01 has no application to the payment of any taxes on income or capital assessed by any Governmental Authority.
- Income Taxes Operations on or Before Closing Date. Seller shall be liable for any and all federal, state and foreign income taxes and franchise taxes which in whole or in part are based on or measured by income ("Income Taxes") applicable to the Corporations' operations with respect to all periods occurring on or before Closing Date as follows:
- (a) With respect to any taxable period of the Corporations which ends on or before Closing Date, Seller shall timely prepare and file, or shall cause to be timely prepared and filed, with the appropriate Governmental Authority, any and all Income Tax returns, reports and forms that are required and due to be filed with respect to such taxable period (whether or not the filing date for any taxable period occurs on or after Closing Date), and to pay, or cause to be paid, any and all Income Taxes (including any interest and penalties thereon) due with respect to such Income Tax returns, reports and forms. Purchaser shall provide or cause to be provided to Seller any data; reports, copies of prior Income Tax returns or other

Corporations, shall make available to Seller such personnel of Purchaser or the Corporations, and shall cooperate and cause the Corporations to cooperate with Seller, in order to enable Seller to fulfill its obligations under the preceding sentence. Any Income Taxes (including any interest and penalties thereon) reflected in such Income Tax returns, reports and forms which were not actually paid by the Corporations or Seller prior to Closing Date and related to any time period prior to January 1, 1993 shall be paid by Seller directly to the appropriate Governmental Authority and there shall be no liability for such Income Taxes (or asset for a refund of such Income Taxes) utilized in determining Net Realizable Assets pursuant to Sections 5.02 and 5.03 hereof. Seller shall determine the amount of such Income Taxes (but excluding any interest and penalties thereon) related to the period of time from January 1, 1993 through the Closing Date, advise the Purchaser of the computation thereof, and such amount shall be included as an Asset in determining Net Realizable Assets pursuant to Sections 5.02 and 5.03.

Closing Date and which taxable period encompasses time periods occurring both before and after Closing Date, Purchaser shall timely prepare and file, or shall cause to be timely prepared and filed, with the appropriate Governmental Authority, any and all Income Tax returns, reports and forms that are required and due to be filed with respect to such taxable period, and to pay, or cause to be paid, all Income Taxes (including any interest and penalties thereon) due with respect to such returns, reports and forms. For the purposes of determining Net Realizable Assets pursuant to Sections 5.02 and 5.03, Seller shall estimate the amount of such Income Taxes (but excluding any interest and penalties thereon) accruing during the time period occurring on or before the December 31, 1992, and

such amount shall be included as a liability in determining Net Realizable Assets pursuant to Sections 5.02 and 5.03.

- of Income Taxes (including any interest thereon) received by Purchaser, or any affiliate of Purchaser, after Closing Date and attributable to Income Taxes described in Section 17.02(a) (including any interest thereon) previously paid to the appropriate Governmental Authority by either Seller or the Corporations (or any predecessor or affiliate of Seller or the Corporations) with respect to all taxable periods ending on or before Closing Date. Such payment will be made by check to Seller within ten days after Purchaser's receipt of any such Income Tax refund (including any interest thereon) from the appropriate Governmental Authority.
- Governmental Authority to increase any Income Taxes described in Section 17.02(a) incurred (including any interest and penalties thereon) by the Corporations for any taxable period ending on or before Closing Date and for which Seller or the Corporations previously filed the related Income Tax return, Purchaser will promptly notify Seller of such proposed adjustment, and Seller, if it so elects, and at its own expense, may contest such adjustment with the appropriate Governmental Authority on behalf of the Corporations. Any additional Income Taxes (including any interest and penalties thereon) which become due and payable as a result of such adjustment will be indemnifiable pursuant to the provisions of Section 13.03 hereof.
- 17.03 <u>Income Taxes Operations Subsequent to Closing Date.</u>
  Purchaser shall be liable for any and all Income Taxes applicable to the Corporations' operations with respect to all periods occurring subsequent to Closing Date as follows:

- (a) With respect to any taxable period of the Corporations which commences subsequent to Closing Date, Purchaser shall timely prepare and file, or shall cause to be timely prepared and filed, with the appropriate Governmental Authority any and all Income Tax returns, reports and forms that are required and due to be filed with respect to such taxable periods, and to pay, or cause to be paid, any and all Income Taxes (including any interest and penalties thereon) with respect to such Income Tax returns, reports and forms. Any Income Taxes (including any interest and penalties thereon) due with respect to such Income Tax returns shall be paid by Purchaser directly to the appropriate Governmental. Authority.
- Income Taxes Resulting From This Transaction. (a) Purchaser is eligible to and shall make a timely and effective election under Section 338(g) of the Code, with respect to the purchase of the Shares hereunder. Further, both Seller and Purchaser are eligible to and shall make or shall cause to be made a timely and effective election under Section 338(h)(10) of the Code (the "Section 338(h)(10) Election"). Purchaser and Seller agree that neither of them will take, or permit their affiliates to take, any action to modify or revoke such elections without the express consent of the other.
- (b) Not later than July 1, 1993, Purchaser will deliver to Seller a completed Internal Revenue Service Form 8023, and the required schedules thereto ("Form 8023"), providing for the Section 338(h)(10) Election. Provided that the information on said Form 8023 is, in the reasonable determination of Seller, correct and complete in all material respects, Seller will, within fifteen (15) days thereafter, execute and redeliver said Form 8023 to Purchaser. If any changes or supplements are required to the Form 8023, Seller and Purchaser will promptly agree upon and make such changes. Seller and Purchaser will each

timely file the Form 8023, and any required supplements thereto, and will provide assurance to each other that they have done so.

- (c) Any Income Tax liabilities incurred as a result of the Section 338(h)(10) Election will be the responsibility of Seller, and the provisions of Section 17.02(a) and Section 17.02(b) of this Agreement shall apply.
- 17.05 Income Taxes on Divestiture. Any Income Tax liabilities incurred as a result of the divestiture of certain assets of the Corporations pursuant to Section 9.05 will be the responsibility of Seller, and the provisions of Section 17.02(a) and 17.02(b) shall apply.
- 17.06 Specific Tax Undertakings. If Grace or any affiliate of Grace takes any "protective carryover basis election" under Section 338 of the Code with respect to any purchase of corporate stock of any entity other than GPC or the GPC subsidiaries which election, in order to be valid, must be joined in by such member, Purchaser shall cause GPC and the GPC subsidiaries to join in such election and execute such forms and take such other action as may be required therefor.

#### ARTICLE 18.

### General

- 18.01 Entire Agreement. This Agreement and the other agreements, documents and instruments being delivered at the Closing set forth the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof, whether written or oral.
- 18.02 <u>No Other Representations, etc.</u> No representations, promise, inducement or statement of intention relating to the transactions contemplated by this Agreement has been made by or on behalf of any party hereto which is not set forth in this Agreement.

- 18.03 <u>Headings</u>. The Article and Section headings contained in this Agreement are for convenient reference only, and shall not in any way affect the meaning or interpretation of this Agreement.
- Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction, except that with respect to matters regarding title to real property, the same shall be governed by the laws of the state in which such property is located.
- 18.05 <u>Counterparts.</u> This Agreement may be executed in multiple counterparts (including counterparts executed by one party), each of which shall be an original, but all of which shall constitute a single agreement.
- 18.06 <u>Binding Agreement</u>; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but this Agreement shall not be assignable by either party without the prior written consent of the other party.
- 18.07 <u>Amendment</u>. This Agreement may be amended only in a writing executed by the parties hereto which specifically states that it amends this Agreement.
- 18.08 No Waiver. Failure of any party to insist upon strict observance of or compliance with any term of this Agreement in one or more instances shall not be deemed to be a waiver of its rights to insist upon such observance or compliance with the other terms hereof, or in the future.
- 18.09 <u>U.S. Dollars</u>. Except for the dollar amounts referenced in Sections 5.03(1) and 5.03(m), All dollar amounts set forth or referenced herein (including, but not limited to Sections 1.28, 5.02 and 5.03) are deemed to be

expressed in U.S. currency. All foreign currency equivalents shall be converted to U.S. currency utilizing official conversion rates as of December 31, 1992.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Vice President

C. Philip Thesen Executive Vice President

W. R. GRACE & CO. CONN.

Bv

J. D. Wright, Jr.

Wallace King Manaro Branson D/T -8-99-68 REINSTA

WALLACE KING MARRARO & BRANSON, PLLC 1050 THOMAS JEFFERSON STREET, N.W. WASHINGTON, DC 20007

> Phone 202.204.1000 Fax 202.204.1001

CHRISTOPHER H. MARRARO Direct Dial 202.204.3720 cmarraro@wallaceking.com

Office of Enforcement
OCT 1 () 2000
Compliance & Env. Justice

September 20, 2000

By Federal Express

Ms. Roseann B. MacKechnie Clerk of the Court United States Court of Appeals for the Second Circuit U.S. Courthouse, Room 1802 40 Foley Square New York, NY 10007-1561 SEP 21 2000 CECOND CHRCUIT

Re:

W.R. Grace & Co.-Conn. v. U.S. Environmental Protection Agency

Docket #99-4223

Dear Ms. Morgan-Steele:

Pursuant to the Stipulation between the parties W.R. Grace & Co.-Conn., Petitioner in the above-referenced appeal hereby notifies the Clerk of the court that it is reinstating the above-referenced appeal. Attached as Exhibit 1 is the referenced Stipulation.

If you have any questions, please call me at (202) 204-3720.

Respectfully submitted,

Christopher H. Marraro

CHM/kdc Enclosure

cc:

All Counsel of Record

Joshua M. Levin, Esq., Department of Justice

REINSTATEMENT

is phe H. Maus

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

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## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18<sup>TH</sup> STREET - SUITE 300
DENVER, CO 80202-2466
http://www.epa.gov/region08

MAY 1 9 2000

Ref: 8RC

Christopher H. Marraro
Attorney for Petitioner (W.R. Grace & Co. - Conn.)
Wallace King Marraro & Branson
1050 Thomas Jefferson Blvd., Suite 500
Washington, DC 20007

Re: W.R. Grace v. EPA, No. 99-4223 (2<sup>nd</sup> Cir.)

Dear Mr. Marraro:

Enclosed please find a copy of Region VIII's index for the administrative record in support of the First Amended Administrative Order, issued November 5, 1999, in <u>In the Matter of EPA v. AMARCO Resources Corporation</u> et al., Docket No. SDWA-8-99-68.

We believe this to be a complete and accurate listing of the written records supporting the above-mentioned enforcement order.

If you have any questions or wish to discuss this matter further, feel free to contact me.

Steven B. Moores

Associate Regional Counsel

(303) 312-6857

Enclosure:

Administrative record index. Docket No. SDWA-8-99-68.

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DATE	DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMENTS
				TEASEINFORMATION FOR EAST	
)2-Apr-51	UNIT AGREEMENT			POPLAR OIL FIELD	
		AMERICAN ASSOC. OF		CASE HISTORY OF THE EAST POPLAR FIELD ROOSEVELT COUNTY, MONTANA	·
)1-Jan-55	PUBLICATION	PETROLEUM GEOLOGISTS		13 PP	J.B. PÓWELL JR. AUTHOR
		SCHLUMBERGER LOGGING			
2-Jun-70	TEST RESULT	CO.		BIERE #1-22 WELL CEMENT BOND LOG	T28N, R51E, S22
16-Jul-70	LETTER	JUDSON SWEET	MESA PETROLEUM CO	HOLE PRESSURE SURVEY	
			MURPHY OIL EAST POPLAR UNIT		_
18-Nov-74	SAMPLE RESULT	NALCO LAB	OIL FIELD WATER ANALYSIS	INORGANIC EARTHEN PITS WITH SALT WATER	
11-Mar-76 24-Sep-79	CITIZEN COMPLAINT	JOE SIMONSON ORPHY (OVD); O.A. LIEN	AMARCO RESOURCES CORP MT DNR	CITIZEN COMPLAINT	
24-3ep-19	CITIZEN COMPLAINT	ORPHT (OVD); O.A. LIEN	MIDIN	CHIZEN COMPEAINT	WATER SUPPLY PAPER'#
01-Jan-83	PUBLICATION	U.S. GEOLOGICAL SURVEY		BASIC GROUND WATER HYDROLOGY	2220
20 11 04	LETTER	RANDY NORDSVEN (MESA	U.S. EPA	BIERE #A-1 P&A PLAN	T28N, R51E, S22
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04-Dec-84	PLAN	GLENN M. FEDDERSON	U.S. EPA	EPU #80 WELL - P&A PLAN	T28N, R51E, S3
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01-Jan-85	MAP	AND GAS CONSERVATION		PRODUCING FORMATIONS IN MONTANA	
		MONTANA GEOLOGICAL		EAST POPEAR FIELD GENERAL	
)1-Mar-85	REPORT	SOCIETY		INFORMATION PPU#59 WELL - LOSS OF MECHANICAL -	TIM BRUNSON AUTHOR
18-Jun-86	TELEPHONE RECORD	ANGUS CAMPBELL (U.S. EPA)	JAMIE CONNELL (BLM)	INTEGRITY AND WELL P&A	T28N, R51E, S4
	WITH PRIVATE PROCESS			EPUT#59 WELL - LOSS OF MECHANICAL	Want next to
24-Jun-86 27-Jun-86	TELEPHONE RECORD	ANGUS CAMPBELL (U.S. EPA)	RAYMOND REEDE	INTEGRITY EPU #59 WELL - P&A PLAN	T28N, R51E, S4
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27-Juli-80	FLAN	MAUDE FOOTE BUCKLES ET	U.S. EPA	EFO #8-D WELL - F&A FLAN	T28N, R51E, S8 NE/4, SE/4;
19-Jan-87	LEASE	AL	MURPHY OIL USAINC		S22 NE/4
9-Jan-87	LEASE	MARY FOOTE ET AL	MURPHY OIL USA INC		T28N, R51E, S14 W/2
					T28N, R51E, S10 NW/4, W/2,
19-Jan-87	LEASE	BIRDIE LESTER VANCE ET UX	MURPHY OIL USA INC		SW/4; S15 W/2, NW/4; S21 SE   4.NE/4
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				GROUNDWATER RESOURCES OF THE FORT PECK INDIAN RESERVATION,	† 178 JOSEPH J. DONOVAN   AND KOBERT N.
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1-D∞-88	REPORT	MINES AND GEOLOGY	<u> </u>	MONTANA 116 PP	AUTHOR

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25-Маг-91	LETTER	(HALLIBURTON)	RAYMOND REEDE	EPU #80 WELL - TESTING PROCEDURES	128N, R51E, S3
31-Oct-91	LETTER	MAX DODSON (EPA)	RAYMOND REEDE	EPU #80 WELL - TESTING PROCEDURES	T28N, R51E, S3
07-Feb-92	LETTER	MAX DODSON (EPA)	RAYMOND REEDE	EPU #80 WELL - TESTING PROCEDURES	T28N, R51E, S3
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29-Nov-95	LEASE	AUDREY BUCKLES ESTATE	PRODUCTION CO MURPHY EXPLORATION AND		\$22 NE/4
29-Nov-95	LEASE	AUDREY BUCKLES ESTATE ASSISNIBOINE AND SIOUX	PRODUCTION CO MURPHY EXPLORATION AND		T28N, R51E, S22 NW/4
04-Dec-95	LEASE	TRIBE	PRODUCTION CO	THE PROPOSICIONATE A CULTURE E A CU	T28N, R51E, S26 E 1/2 OPEN FILE REPORT 95-749
01-Jan-96	REPORT	U.S. GEOLOGICAL SURVEY	TBUREAUTOFILANDTMANAGEMENT	POPLAR OIL FIELD, FORT PECK INDIAN RESERVATION, NORTHEASTERN MONTANA	JOANNA THAMKE, STEVEN CRAIG, THOMAS MENDES AUTHORS 92 PP
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06-Oct-97	EMAIL	PAUL OSBORNE	BOWDEN, BARBARA CONKLIN, DOUGLAS MINTER	BIERE #A-1 WELL FORT PECK RESERVATION	1
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03-Dec-97				"GROUNDWATER PROGRAM UNIT, EPA R8 FOR GW PROTECTION PROGRAM, UIC PROGRAM, UST PROGRAM (24PP) "AUTHORIZATION"TO COMMIENCE	-
04-Dec-97	LETTER	U.S. EPA REGION 8	BURCE MACARTHUR (MURPHY)	INJECTION	T28N, K51E, S10
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DATE	DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMENTS
25-Aug-98	EMAIL	PAUL OSBORNE	DOUGLAS MINTER, BARBARA BURKLAND, CAROL BOWDEN, SHARON KERCHER, JIM BOYTER, DAVID HOGLE BARBARA BURKLAND, DOUGLAS	GROUNDWATER PROBLEM ON FT PECK RESERVATION	
25-Aug-98	EMAIL	PAUL OSBORNE AUDIO CONFERNCE CENTER	MINTER, DAVID HOGLE, CAROL BOWDEN, SHARON KERCHER, WILLIAM ENGLE	REVIEW OF PLUGGING STATUS OF MESA BIERE #A-1 WELL FORT PECK RESERVATION	
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02-Oct-98	TELECONF. NOTE	CAROL BOWDEN, BARB BURKLAND, JIM BOYTER, BILL EAGLE, DEB MADDISON MONTANA BOARD OF OIL		RE: OBTAINING O&G INFO - GETTING WATER SAMPLES	•
08-Oc1-98	INTERVIEW RECORD	AND GAS	JOE SIMONSON, FIELD INSPECTOR	RECORD OF P&A OF BIERE #1-W WELL	T28N_R51E, S22
27-Oct-98	EMAIL	PAUL ÓSBORNE	CAROL BOWDEN, BARBARA BURKLAND, JIM BOYTER, JIM EPPERS	FT. PECK GROUNDWATER CONTAMINATION FFTPECK GROUNDWATER	-
29-Oct-98	EMAIL	PAUL OSBORNE	CAROL BOWDEN	CONTAMINATION	<u> </u>
12-Nov-98	EMAIL	CAROL BOWDEN	JIM BOYTER, WILLIAM ENGLE, PAUL OSBORNE, JIM EPPERS JIM EPPERS, CAROL BOWDEN, JIM	FT. PECK CONTAMINATION	-
17-Nov-98	EMAIL	PAUL OSBORNE	BOYTER	FT. PECK CONTAMINATION	
17-Nov-98	EMAIL	PAUL OSBORNE	JIM EPPERS	FT. PECK CONTAMINATION FT. PECK GROUNDWATER	
18-Nov-98 25-Nov-98	REPORT LETTER	SONOSKY CHAMBERS SACHSE & ENDRESON	WILLIAM YELLOW TAIL	CONTAMINATION SUMMARY OF THE STATUS OF OIL AND GAS WELL IN SOUTHERN PORTION OF EAST POPLAK FIELD" BY PAUL OSBORNE, EPA (5PP) REQUEST TO HAVE EPA TAKE § 1431 ORDER	-
02-Dec-98	LETTER	SONOSKY CHAMBERS SACHSE & ENDRESON	WILLIAM YELLOW TAIL	CORRECTION TO THE 25/98 LETTER TO REMOVE "ATTORNEY CLIENT" PRIVILEGE"	
03-Jan-99	LETTER	JOANNA THANKE	TOM ESCARCEGA (FT PECK TRIBE)	RETPROVISIONAL SAMPLE RESULTS E- POPLAR USGS SAMPLES SAMPLING TANALYSIS PLAN (EPA) TO	,   -
14-Jan-99	N/A			COLLECT SAMPLES AT TROTTIER WELL. (7PP)	
25-Jan-99	FAX	GEORGE HUDAK	CAROL BOWDEN	LIST OF WELL PLUGGINGS IN T28N R51E	
01-Feb-99	LETTER	CONNALLY E. MEARS	DENNIS WHITEMAN, U.S. BUREAU OF INDIAN AFFAIRS	REQUUST FOR, MAPS, AND OIL AND GAS LEASE INFORMATION, EAST POPLAR FIELD, FT. PECK INDIAN RESERVATION	
08-Feb-99	LETTER	SUPERINTENDENT OF REAL ESTATE SERV. MINERAL LEASING U.S.D.O.I.	CAROL BOWDEN	Current A. A. T. Zur	LEASE INFORMATION FOUND BY BIA
08-Feb-99	SAMPLE RESULTS	ENERGY LABS	JESSE KIRN SR.	DIESEL RANGE ÖRGANICS	1

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DATE	DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMENTS
08-Feb-99	SAMPLE RESULTS	ENERGY LABS	TROTTIER - NEW WELL	DIESEL RANGE ORGANICS	
08-Feb-99	SAMPLE RESULTS	ENERGY LABS	BUTCH CORNE	DIESEL RANGE ORGANICS	_
08-Feb-99	SAMPLE RESULTS	ENERGY LABS	BIRDELL LIEN	DIESEL RANGE ORGANICS	
10-Feb-99	LIST	BUREAU OF INDIAN AFFAIRS		TRUST, FORT PECK INDIAN RESERVATION	
17-Feb-99	EMAIL	KEN PHILLIPS	CAROL BOWDEN	LEASE RECORDS	1
17-Feb-99	SAMPLE RESULTS			1727/99 SAMPLING PSA BLDG, TROTTIER WELL	,
18-Feb-99	LETTER	CONNALLY E. MEARS	DONNA ERWIN, OFFICE OF TRUST FUNDS MANAGEMENT, U.S. DOI	REQEUST FOR OIL AND GAS LEASE INFORMATION, EAST POPLAR FIELD, FT PECK INDIAN RESERVATION	
			SONOSKY CHAMBERS SACHSE &		1
19-Feb-99	LETTER	JIM EPPERS	ENDRESON	GROUNDWATER CONTAMINATION	
24-Feb-99 25-Feb-99	LETTER N/A	DONN ERWIN (D.O.I.)	CAROL BOWDEN	SAMPLING & ANALYSIS PLAN (EPA) TO COLLECT SAMPLES AT WHITNER, TROTTIER, RICKER (7PP)	
04-Мш-99	FAX	MARZETTA IRON BEAR	KEN PHILLIPS	UNIT AGREEMENT AND OTHER ASSIGNMENT OF MINING LEASES (39Pt)	TEASE INFORMATION FOUND BY BIA
18-Mar-99	LETTER	SONOSKY CHAMBERS SACHSE & ENDRESON	JIM EPPERS SONOSKY CHAMBERS SACHSE &	GROUNDWATER CONTAMINATION	
19-Mar-99	LETTER	JIM EPPERS	ENDRESON	GROUNDWATER CONTAMINATION TO DONNA WHITNER, TIM TROTTIER, AND	1 1
26-Mar-99	SAMPLE RESULTS			GEORGE RIKER WELLS RE: 3/11/99 SAMPLE EVENT	1
06-Арг-99	COMPILED LIST			WELLINFORMATION - FEE LANDS T28N, R51E	GENERATED BY US EP.
05-May-99	TEST RESULT	MURPHY OIL	<u> </u>	EPU#80 WELL - MECHANICAL INTEGRITY TEST RETLIST OF HOMES INMEAR E. POPLAK	T28N, R51E, S3
24-May-99	FAX	DEBBIE MADISON	CAROL BOWDEN	OIL FIELD & FAX FROM J. THANKE TO D MADDISON RE: MT WELL RESULTS	
24-May-99	TEST RESULT	MURPHY OIL		HUBER #5-D WEELT- MECHANICAL INTEGRITY TEST SAMPLING & ANALYSIS PLAN (EPA) TO	126N, K51E, S10
23-Jun-99	N/A	·		COLLECT SAMPLES AT WHITNER, TROTTIER, RICKER (7PP)	
				MORPHY EXPLORATION AND	
06-Jul-99	REPORT	DUN & BRADSTREET		PRODUCTION CO.	1
06-Jul-99	REPORT	DUN & BRADSTREET		MURPHY OIL USA INC. DUN'S BRAD STREET KE: WIR GRACE &	•
07-Jul-99	REPORT			CO INS. DUNT& BRADSTREET RE: AMARCO	1
07-Jul-99	REPORT			RESOURCE CORP	
07-Jul-99	REPORT	INFORMATION AMERICA		MESA PETROLEM CO.	:
07-Jul-99	REPORT	DUN & BRADSTREET		TENNECO OIL CO.	-

	TYPE OF				
DATE	TYPE OF DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMEN'
7-Jul-99	REPORT	DUN & BRADSTREET	ADDRESSEE	TEXAS OIL AND GAS CORP	COMMEN
7-301-33	REPORT	DON & BRADSTREET		TOON & BRAD STREET RETPOLUMBUS	
9-Jul-99	REPORT			CORP.	
1-Jul-99	EMAIL -	CAROL BOWDEN	JIM EPPERS	LIST OF WELLS IN AREA OF CONCERN	
				DUN'T BRAD'STREET REPHILLIPS	
1-Jul-99	REPORT			PETROLEUM CO.	
1-Jul-99	REPORT	DUN & BRADSTREET		FAIRWAY PRODUCTION CO.	
1-Jul-99	REPORT	ANNUAL SEC FORM 10k		PIONEER NATURAL RESOURCES CO.	-
l-Jul-99	REPORT	DUN & BRADSTREET		TPEX EXPLORATION INC. DONNA WHITNER, TINTEROTTIER, AND	
		i		GEORGE RIKER WELLS RE: 6/30/99	
9-Jul-99	SAMPLE RESULTS			SAMPLE EVENT	
0-Jul-99	REPORT	DUN & BRADSTREET		MARATHON OIL CO	
				TOTAL CALIFORM, NE MONTANA	
8-Aug-99	SAMPLE RESULTS			WATER CONDITIONS	
2-Sep-99	EMAIL	JIM EPPERS	CAROL BOWDEN	BENZENE	
1-Sep-99	PHONE MEMO	CAROL BOWDEN AND GEORGE HUDAK		RE. GETTING STATE RECORDS	
1-3ep-99	PHONE MEMO	GEORGE HODAK		TIOTAL CALIFORM, NE MONTANA	
1-Sep-99	SAMPLE RESULTS			WATER CONDITIONS	
				CERTIFICATE OF SERVICE RE: DOCKET	
0-Sep-99				#SDWA-8-99-68 (2PP)	
0-Sep-99	1			EPATEMERGENCY ADMIN ORDER DOCKET # SDWA -8-99-68 (31PP)	
0-Sep-99	TRANSMITTAL LETTER	CONNALLY MEARS	MARATHON OIL CO	RE:9/30/99 EPA EMERGENCY ORDER	
0-Sep-99	TRANSMITTAL LETTER	CONNALLY MEARS	WR GRACE	RE:9/30/99 EPA EMERGENCY ORDER	
0-Sep-99	TRANSMITTAL LETTER	CONNALLY MEARS	EREC ALTAMONT	RE:9/30/99 EPA EMERGENCY ORDER	-
		CONTRIBUTION OF THE PROPERTY O	MURPHY EXPLORATION AND	ASSESSED AND AND AND AND AND AND AND AND AND AN	
0-Sep-99	TRANSMITTAL LETTER	CONNALLY MEARS	PRODUCTION CO.	RE:9/30/99 EPA EMERGENCY ORDER	
0-Sep-99	TRANSMITTAL LETTER	CONNALLY MEARS	PIONEER NAT'L RESOURCES	RE:9/30/99 EPA EMERGENCY ORDER	
5-Oct-99	LETTER	BRUCE D. MACARTHUR	EMMETT SCHMITZ	HUBER #5 WELL P&A PLAN	T28N, R51E, S10
6-Oct-99	FAX	NATHAN WISER	ANDY BROWN (DORSY &WHITNEY)	RETUSTTAND ADDRESSES OF 9/30/99 CORDER RECIPIENTS	
0-061-77	1701	CANDANCE WALKERPATRIK	MADI BROWN (BORST &WHITKET)	ORDER RECIFIENTS	
6-Oct-99	LETTER	PETIT	CAROL BOWDEN	RE: RECEIPT OF 9/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	JOE ABBOTT	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	WILLIAM LOCKMAN	DISCUSSION OF 09/30/99 ORDER	•
7-Oct-99	LETTER	NATHAN WISER	GEORGE AND HELEN RICKER	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	RENE AND JOSE MARTELL	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	WARREN AND DONNA WHITMER	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	CHARLES FOUR BEAR	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	RACHEL GRAY HAWK	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	MICHAEL KIRN	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	ROSS AND LAURA BLEAZARD	DISCUSSION OF 09/30/99 ORDER	<b>-</b>
7-Oct-99	LETTER	NATHAN WISER	BILL ZIMMERMAN	DISCUSSION OF 09/30/99 ORDER	

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7-Oct-99	LETTER	NATHAN WISER	AUDREY KIRN	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	TIM AND DONNA TROTTIER	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	NATHAN WISER	DENISE GRANDCHAMP	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	NATHAN WISER	BIRDELL LIEN	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	NATHAN WISER	JESSE KIRN SR.	DISCUSSION OF 09/30/99 ORDER	
7-Oct-99	LETTER	NATHAN WISER	MAVIS LOEGERING	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	NATHAN WISER	DANNY KOHL	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	NATHAN WISER	TRIVIAN GRAINGER	DISCUSSION OF 09/30/99 ORDER	
-Oct-99	LETTER	DAVID CLEARY	CAROL BOWDEN	RE: RECEIPT OF 9/30/99 ORDER	
-Oct-99	LETTER	STEVEN LEIFER	CAROL BOWDEN	RE: RECEIPT OF 9/30/99 ORDER	
-001-33	LETTER	MURPHY EXPLORATION AND			
7-Oct-99	LETTER	PRODUCTION CO.	CAROL BOWDEN	RE: RECEIPT OF 9/30/99 ORDER	
			MURPHY EXPLORATION AND		
7-Oct-99	LETTER	PIONEER NAT'L RESOURCES	PRODUCTION CO.	RE:WATER DELIVERY	
	LETTER	PRODUCTION CO.	JIM EPPERS	RE: INFORMATION	
3-Oct-99	LETTER	PRODUCTION CO.	STEVEN LEIFER , DAVID CLEARY,	KL. Lift Ordination	
			CONDANCE WALKER, PATRIK PETIT		
			, JAMES BAINE, ROBERT STERUP,	RE CONTACT LIST, DEPINE	
2-001-99	E-MAIL	NATHAN WISER	JENNIFER FRY, JOHN FOGNANI	"IMMEDIATE" WATER DELIVERY TO AL	
2-Oct-99	FAX	STEVEN LEIFER	NATHAN WISER	RE: CONTACT ADDRESSES	
	CAMPI E DECLUTE			WATER CONDITIONS	
3-Oct-99	SAMPLE RESULTS	MURPHY EXPLORATION AND		WATER CONDITIONS	
4-Oct-99	FAX	PRODUCTION CO.	NATHAN WISER	RE:WATER DELIVERY PLAN	
1 1041 77	1		MURPHY EXPLORATION AND		
4-Oct-99	LETTER	PIONEER NAT'L RESOURCES	PRODUCTION CO.	RE: CONF CALL	
1.0.200	r industrial	MURPHY EXPLORATION AND	MAKI PERGURAN	DE POLA DEVALUESE	
4-Oct-99	LETTER	PRODUCTION CO.	VICKI FERGUSON	RE: FOIA REQUEST	
5-Oct-99	E-MAIL	STEVEN LEIFER	NATHAN WISER	RE: CONTACT LIST RE: APPROVAL OF MURPHY'S WATER	
5-Oct-99	LETTER	NATHAN WISER	JAMES BAINE	DELIVERY PLAN	
3-0,00-33	LETTER	TATITAL WISER	STEVE LEIFER, DAVID CLEARY,	DELIVER FRANCE	
			JOHN FOGNANI, CANDANCE		
			WALKER, PATRICK PETIT, JAMES		
			BAINE, ROBERT STERUP, JENNIFEK		
			FRY, JOHN ROSS, SUSANNA MORAN,	PROGESS ON SDWA EMERGENCY	
1-0:1-99	EMAIL	NATHAN WISER	DEAN MASSEY, DAVID OWENS	ORDER DOCKET #SDWA -8-99-68 LIST OF PARTICIPANTS AT EPA/MURPHY	
-Oct-99	MEETING LIST			MEETING	
2-Oct-99	LETTER	BRIAN GALLICK	VICKI FERGUSON	FOIA REQUEST	
-Oct-99	EMAIL	KAREN Y. BROWN	NATHAN WISER	FOIA REQUEST	
-Oct-99	LETTER	CAROL RUSHIN	JAMES BAINE	FOIA RESPONSE, PARTIAL DENIAL	FOLA RIN 00030-00
P-041-77	LETTER	CAROL RUSHIN	AMES DARKE	LIST OF PARTICIPANTS AT EPA	111.1 00000.00
I-Nov-99	MEETING LIST			RESPONDENTS MEETING	

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<del></del>	TYPE OF				1.
DATE	DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMENTS
01-Nov-99	N/A	11011	,	SAMPLING & ANALYSIS PLANT (EPAYTO COLLECT SAMPLES AT HOMESITE IN NOVEMBER 1999 (8PP)	
05-Nov-99				EPÄTENIERGENCY ORDER (IST REVISED ORDER) DOCKET #SDW-8-99-68	
05-Nov-99	TRANSMITTAL LETTER	CONNALLY MEARS	WR GRACE	RE11/5/99 EPA EMERGENCY ORDER	•
)5-Nov-99	TRANSMITTAL LETTER	CONNALLY MEARS	AMARCO	RE11/5/99 EPA EMERGENCY ORDER	-
)5-Nov-99	TRANSMITTAL LETTER	CONNALLY MEARS	MARATHON OIL CO	RE11/5/99 EPA EMERGENCY ORDER	
)5-Nov-99	TRANSMITTAL LETTER	CONNALLY MEARS	MURPHY EXPLORATION AND PRODUCTION CO.	RE11/5/99 EPA EMERGENCY ORDER	1
05-Nov-99	TRANSMITTAL LETTER	CONNALLY MEARS	PIONEER NATL RESOURCES	RE11/5/99 EPA EMERGENCY ORDER	<b>F</b> .
1982	REPORT LETTER	CONNALLY MEARS	FIGNEER NATE RESOURCES	OCCURENCE & CHARACTERISTICS OF GW IN MT, VOL 1 THE GREAT PLAINS REGION (82 PP)	†
UNCERTAIN	FAX	JOANNA THAMKE	CAROL BOWDEN	DESCRIPTION OF EQUIPMENT CLEANING FOLLOWES BY USGS	
			-	GEOLOY'& GW'RESOURCES IN THE VICINITY OF THE E. POPLAR OIL FIELD FT PECK INDIAN RESERVATION,	
JULY 1999	DRAFT REPORT	KENNETH PHILLIPS, EPA BY STEVEN CRAIG & JOANNA		MUNTANA	:
NO DATE	AB\$TRACT #4371	THANKEU.S. GEOLOGICAL SURVEY IN CORDILLEAN & ROCKY MOUNTAIN SECTIONS		HYDROGEOLOGIC ASPECTS OF BRINE DISPOSAL IN THE EAST POPLAR OIL FIELD, FT PECK INDIAN RESERVATION NE MONTANA UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF	
NO DATE	AGREEMENT			OF ROOSEVELT STATE OF MONTANA	TEASE INFORMATION FOUND BY BIA
	APPROVAL OF ASSIGNMENT OF OIL				LEASE INFORMATION
NO DATE	AND GAS LEASE ASSIGNMENT AFFECTING RECORD			D.O.I BI.M	FOUND BY BIA
NO DATE	TITLE TO OIL & GAS LEASE			U S.D.O.1 BUREAU OF INDIAN AFFAIRS 206-21474	TEASE INFORMATION FOUND BY BIA
NO DATE	ASSIGNMENT OF MINING LEASE ASSIGNMENT OF			- U.S.D.O.I BUREAU OF INDIAN AFFAIRS LIST OF VARIOUS LEASE ASSIGNMENTS U.S.D.O.I. BUREAU OF INDIAN AFFAIRS	TEASE INFORMATION FOUND BY BIA LEASE INFORMATION
NO DATE	MINING LEASE			206 60798 TUS.DIOIT BOREAU OF INDIAN AFFAIRS	FOUND BY BIA LEASE INFORMATION
NO DATE	MINING LEASE			206 60799 TUS.DTOTE BUREAU OF INDIAN AFFAIRS	FOUND BY BIA LEASE INFORMATION
NO DATE	MINING LEASE			206 60807 U.S.D.O.T. BUREAU OF INDIAN AFFAIRS	FOUND BY BIA LEASE INFORMATION
NO DATE	MINING LEASE			CONTRACT NO. #4043	FOUND BY BIA

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DATE	DOCUMENT	FROM	ADDRESSEE	DOCUMENT CONTENT	COMMENTS
-				EAST POLAR FIELD WELL HISTORIES	
NO DATE	COMPILED LIST			T28N, R51E PHYSICAL PROPERTIES AND MAJOR ION	GENERATED BY U.S. EPA
				CONCENTRATIONS IN WATER SAMPLES	
				COLLECTED FROM PRIVATELY OWNED	
				WELLS IN E.P. OIL FIELD, FT. PECK, N.E.	LEASE INFORMATION
NO DATE	DATA			MT	FOUND BY BIA
NODATE	BATA				TRIBATE TAND, ALLOTTED
					LAND, FEE LAND, LEASE
NO DATE	MAP	FT. PECK TRIBES		EAST POPLAR UNIT'T 28 N, K 51 E	INFO
NO DATE	MAP	FT. PECK TRIBES	· ··	EAST POPLAR UNIT T 28 N, R 51 E;	HOMESTIES
				EAST POPLAR UNIT T 28 N, R 51 E, T 29 N	
NO DATE	MAP	FT. PECK TRIBES		R 51 E	HOMESITES
	.,,,			ÉNERGY LAB COST ESTIMATE TO EPA FOR SAMPLE ANALYSIS	ļ
NO DATE	N/A OIL & GAS MINING		<del></del>	U.S.D.O.T. BOREAU OF INDIAN AFFAIRS	LEASE INFORMATION
NO DATE	LEASE			206 31038	FOUND BY BIA
10 5/12	OIL & GAS MINING			U.S.D.OT. BUREAU OF INDIAN AFFAIRS	DEASE INFORMATION
NO DATE	LEASE			206 31040	<sup>1</sup> ғойны вұ віл
-	OIL & GAS MINING			U.S.D.O.T. BUREAU OF INDIAN AFFAIRS	LEASEINFORMATION
NO DATE	LEASE			206 31168	FOUND BY BIA
	p.2000#	TEXAS SECRETARY OF			
NO DATE	REPORT	STATE CORPORATE RECORD		ALTAIR-CANADA 1939 #1	1
NO DATE	REPORT	STATE CORPORATE RECORD		ALTAIR OIL AND GAS CO	1
	1.0.7 0.1.1	TEXAS SECRETARY OF	-		
NO DATE	REPORT	STATE CORPORATE RECORD		AMARCO RESOURCES CORP	
		KANSAS SECRETARY OF	· · · · · · · · · · · · · · · · · · ·		
NO DATE	REPORT	STATE CORPORATE RECORD		AMARCO RESOURCES CORP	1
NO DATE	REPORT	STATE CORPORATE RECORD		AMARCO RESOURCES CORP	
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NO DATE	REPORT	STATE CORPORATE RECORD		BESTWAY RENTAL INC	
		FEORIDA SECRETARY OF			
NO DATE	REPORT	STATE CORPORATE RECORD		BG&OCO MANAGEMENT CO	
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NODATE	REFORT -	TEXAS SECRETARY OF		BG&OCO MANAGEMENT CO	
NO DATE	REPORT	STATE CORPORATE RECORD		BG&OCO MANAGEMENT CO	
-		MINNESOTA SECRETARY OF			
NO DATE	REPORT	STATE CORPORATE RECORD		BG&OCO MANAGEMENT CO	
		LOUISIANA SECRETARY OF			
NO DATE	REPORT	STATE CORPORATE RECORD	<del></del> .	BG&OCO MANAGEMENT CO	•
NO DATE	REPORT	OHIO SECRETARY OF STATE CORPORATE RECORD		MICHAEL MANAGER AND	
NO DATE	- KEPUKI	NEVADA SECRETARY OF	<u> </u>	BG&OCO MANAGEMENTI CO	
NO DATE	REPORT	STATE CORPORATE RECORD		BLACK MESA PETROLEUM INC	
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NO DATE	REPORT	STATE CORPORATE RECORD		BSE PROPERTIES INC	

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DATE	DOCOMENT	WYOMING SECRETARY OF	ADDRESSEE	BOCOMENT CONTENT	
MO DATE	DEDODE	I I		BUTTER GAS AND OIL CO	Ī
NO DATE	REPORT	STATE CORPORATE RECORD		BOTTER GAS AND OIL CO	
NO DATE	перорт	MISSISSIPPI SECRETARY OF		CLEARY PETROLEUM CORP	
NO DATE	REPORT	STATE CORPORATE RECORD MISSISSIPPI SECRETARY OF		CLEART TETROLEON CORT	t
NO DATE	REPORT	STATE CORPORATE RECORD		DAMOCO-MERGER CORP	
NO DATE	REPORT	MISSISSIPPI SECRETARY OF		DAMOCO-MILKOEK COKI	1
NO DATE	REPORT	STATE CORPORATE RECORD		DAMSON RESOURCES CORP	1
NODATE	REPORT	TEXAS SECRETARY OF	<del></del>	DAMSON RESOURCES COM	i
NO DATE	REPORT	STATE CORPORATE RECORD		DAMSON RESOURCES CORP	
NODATE	REPORT	CALIFORNIA SECRETARY OF		GRACE 198T PRIVATE DRILLING	1
NO DATE	REPORT	STATE CORPORATE RECORD		PROGRAM	Ì
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110 51115		LOUISIANA SECRETARY OF	<del></del>	TGRACET981 PRIVATE DRILLING	1
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		UTAIT SECRETARY OF STATE		GRACE 1981 PRIVATE DRILLING	1
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		MICHIGAN CONSUMER AND		-	1
	i	INDUSTRY SERVICES LTD		GRACE 1981 PRIVATE DRILLING	
NO DATE	REPORT	PARTNERSHIP		PROGRAM, A LTD PARTNERSHIP	
-		LOUISIANA SECRETARY OF		GRACE 1982 PRIVATE DRILLING	i
NO DATE	REPORT	STATE CORPORATE RECORD		PROGRAM	
		MICHIGAN CONSUMER AND			
		INDUSTRY SERVICES LTD		GRACE 1982 PRIVATE DRILLING	
NO DATE	REPORT	PARTNERSHIP		PROGRAM, A LTD PARTNERSHIP	
NO DATE	REPORT	NEW YORK SECRETARY OF		GRACE PETROLEUM CO INC	
NO DATE	REPORT	STATE CORPORATE RECORD		ORACE PETROLEGRICO INC	<b>t</b>
NO DATE	REPORT	STATE CORPORATE RECORD		GRACE PETROLEUM CORP	
NODATE	- KEFORT	IDAHO SECRETARY OF		- GRACE FETROLEGIA COM	ì
NO DATE	REPORT	STATE CORPORATE RECORD		GRACE PETROLEUM CORP	1
		MISSOURI SECRETARY OF	<del></del>		•
NO DATE	REPORT	STATE CORPORATE RECORD		GRACE PETROLEUM CORP	
		MASSACHUSETTS			
		SECRETARY OF STATE		!	
NO DATE	REPORT	CORPORATE RECORD		GRACE PETROLEUM CORP	
		OHIO SECRETARY OF STATE			
NO DATE	REPORT	CORPORATE RECORD		GRACE PETROLEUM CORP	!
		FLORIDA SECRETARY OF			1
NO DATE	REPORT	STATE CORPORATE RECORD		GRACE PETROLEUM CORP	
		KANSAS SECRETARY OF			t
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	n no ann	OREGON SECRETARY OF			
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NO DATE	REPORT	STATE CORPORATE RECORD	<del></del>	GRACE PETROLEUM CORP	

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		WEST VIRGINIA SECRETARY			
		OF STATE CORPORATE			
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NO DATE	REPORT	STATE CORPORATE RECORD		GRACE PETROLEUM CORP	
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		OF STATE CORPORATE		<u> </u>	
NO DATE	REPORT	RECORD		GRACE PETROLEUM INC	
NODATE	REPORT	TEXAS SECRETARY OF		ORACE PETROLEGATING	
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		COUISIANA SECRETARY OF			
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		NEBRASKA SECRETARY OF			-
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		MICHIGAN CONSUMER AND			
	1	INDUSTRY SERVICES			
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		CORPORATE/LTD			
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		NEBRASKA SECRETARY OF		MURPHY EXPLORATION AND	
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		NORTH CAROLINA			-
		SECRETARY OF STATE		MURPHY EXPLORATION AND	
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		NORTH DAKOTA SECRETARY	·		
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	_	TEXAS SECRETARY OF			
NO DATE	REPORT	STATE CORPORATE RECORD		PARKER AND PARSLEY 81-1 LTD.	
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	İ	CORP/LTD PARTNERSHIP		PARKER AND PARSLEY ENERGY	
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		INDUSTRY SERVICES		•	
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		TEXAS SECRETARY OF			
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	<u> </u>	LOUISIANA SECRETARY OF			
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	<u> </u>	OKLAHOMA SECRETARY OF		PIONEER NATURAL RESOURCES USA	
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		TEXAS SECRETARY OF			
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O DATE	REPORT	STATE CORPORATE RECORD		DEVELOPMENT CO.	
		LOUISIANA SECRETARY OF		DB V BLOT INDICE CO.	
O DATE	REPORT	STATE CORPORATE RECORD		SAMSON HYDROCARBONS CO	
		WYOMING SECRETARY OF		JAMES TIPROGRAPO, CO	-
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		MISSISSIPPI SECRETARY OF			
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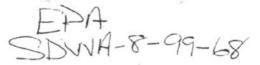
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		FLORIDA SECRETARY OF			
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VARIOUS				EPU#12 WEELT- WELL COMPLETION,	
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VARIOUS				EPU#14-WELLT-WELL COMPLETION,	
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VARIOUS	WELL FILES		· · ·	EPU#32 WELL - WELE COMPLETION,	12011 10712 21
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VARIOUS	WELLTIELS	<del></del>		EPU#67 WELL TWELL COMPLETION,	
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VARIOUS	-			EPU#8-D WELL - WELL COMPLETION,	
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VARIOUS				TEPO780 WELL COMPLETION,	
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DATES	WELL FILES			SUNDRY NOTICES	128N R51E, S11
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VARIOUS			· -	FEDERAL UNIT#26 WELLT SUNDRY	
DATES	WELL FILES			NOTICES, P&A REPORT	T28N, KOTE, <u>\$23</u>
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VARIOUS				SUNDRY NOTICES, NOTICE OF	1
DATES	WELL FILES			LEAKING WELL	T28N, K51E, S10
				THUBER#4 WELL - WELL COMPLETION,	
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VARIOUS				MAPCO PROD. #3-34 WELL - INDIVIDUAL	<del></del>
DATES	WELL FILES			WELL RECORD	T28N, R51E, S34
VARIOUS	_			SIOUX #1-26 WELL - WELL COMPLETION,	
DATES	WELL FILES			SUNDRY NOTICES, P&A REPORT	T28N, R51E, S20



Office of Enforcement

## IN THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

APR - 4 2000

Compliance & Env. Justice

W.R. GRACE & CO. - CONN.,

Petitioner,

v.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,

Respondent.



## STIPULATION

The undersigned duly stipulate that the above-captioned appeal is hereby withdrawn without costs, without attorneys' fees, and without prejudice, subject to reinstatement by written notice to the Clerk of this Court by September 22, 2000. If not then reinstated, this Appeal shall be deemed withdrawn with prejudice.

Attorney for Respondent

U.S. Department of Justice

601 D Street, N.W.

Suite 8000

Washington, D.C. 20004 20530

(202) 514-4198

20026-3986

A TRUE COPY

ROSEANN B. MacKECHNIE, Clerk

FOR THE COURT

(202) 204-1000

Respectfully submitted,

Christopher H. Marraro

Attorney for Petitioner

Washington, DC 20007

Roseann B. MacKechnie, Clerk of Court

Wallace King Marraro & Branson

1050 Thomas Jefferson Blvd.

Suite 500

Frank J. Scardilli, Staff Counsel

# UN.. ED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Roseann ReMacKechnie

Frank J. Scardilli Senior Staff Counsel (212) 857-8760

W.R. Grace & Co. v. EPA 99-4223

# TELEPHONIC PRE-ARGUMENT CONFERENCE NOTICE AND ORDER

For the convenience of out-of-town counsel, a telephonic PRE-ARGUMENT CONFERENCE has been scheduled for Thurs Mar. 23, 2000 at 2130 p-m.

The conference should be initiated by appellant's counsel, who should first have all appellees' counsel on the line, and then call Staff Counsel at this conference line number: (212) 857-8767

To effectuate the purposes of the Conference, the attorneys in charge of the appeal or proceeding are required to attend and must:

- (1) have full authority to settle or otherwise dispose of the appeal or proceeding;
- (2) be fully prepared to discuss and evaluate seriously the legal merit of each issue on appeal or review;
- (3) be prepared to narrow, eliminate, or clarify issues on appeal when appropriate.

Any other matters which the Staff Counsel determines may aid in the handling or the disposition of the proceedings may be discussed. Counsel may raise any other pertinent matter they wish at the Conference.

- \* To insure that all parties have received notice of the scheduled pre-argument conference, counsel should confirm with each other the time and place of the conference at least 48 hours prior to the conference.
- \*\* Counsel are requested to call (212) 857-8760, upon receipt of this notice, in order to confirm.

Date: 3800

BY: <u>Inack Scardily</u> COF
Frank J. Scardilli

Frank J. Scardilli Senior Staff Counsel

Office of Enforcement

MAR 1 4 2000

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

Received Office of Enforcement

FEB 23 2000

Compliance & Env. Justice

8-99-68

## IN THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

W.R. GRACE & CO. – CONN.,	
Petitioner,	

٧.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,

Respondent.



No. 99-4223

## STIPULATION OF DISMISSAL

The undersigned hereby stipulate that the above-captioned appeal is hereby withdrawn without costs and attorneys fees pursuant to rule 42(b) of the Federal Rules of Appellate Procedure.

Respectfully submitted,

For Petitioner:

Christon er H. Marraro

Wallace King Marraro & Branson PLLC

1050 Thomas Jefferson Blvd.

Suite 500

Washington, D.C. 20007

(202) 204-1000

Dated: December

For Respondent:

Joshua Levin

U.S. Department of Justice

601 D Street, N.W.

Suite 8000

Washington, DC 20004

(202) 514-4198

FOR THE COURT

Roseann B. MacKechnie, Clerk of Cour

Frank J. Scardilli, St

A TRUE COPY

ISSUED AS MANDATE:

Office of Enforcement
DEC 2 2 2000
Compliance & Env. Justice

Nathan Wiser, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Suite 500
999 18th Street
Region 8
Denver, CO 80202-2466

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# U.S. Department of Justice

#### Environment and Natural Resources Division

LJG:JML 90-5-1-7-05888

Environmental Defense Section P.O. Box 23986 Washington, DC 20026-3986

Telephone (202) 514-4198 Facsimile (202) 514-8865

December 4, 2000

#### VIA FACSIMILE AND FIRST-CLASS MAIL

Mr. Frank J. Scardelli, Esq. Senior Staff Counsel United States Court of Appeals for the Second Circuit 40 Foley Square New York, NY 10007 (212) 857-8756 (fax)

Re: W.R. Grace v. EPA, No. 99-4223 (2nd Cir.)

Dear Mr. Scardelli:

Pursuant to our telephonic status conference earlier today, this letter is sent to confirm that the parties to this matter intend to file, this week, a stipulation of dismissal pursuant to Federal Rule of Appellate Procedure 42(b).

In a telephonic conference with you November 8, 2000, the Court set a date of December 5, 2000, for the United States to file a certified index of material comprising the administrative record relevant to this matter. Pursuant to our conference earlier today, this letter confirms the United States' understanding that in light of the parties' anticipated settlement, the United States shall not be held in default arising out of any technical failure to file its certified index by the previously-designated date.

Please call me if you have any questions or comments. The parties greatly appreciate your ongoing courtesies and assistance in this matter.

Letter to the Hon. Frank J. Scardelli December 4, 2000 Page Two

Sincerely,

Joshua M. Levin Trial Attorney

Trial Attorney
United States Department of Justice
Environment & Natural Resources

Division

Environmental Defense Section

(202) 514-4198

Counsel for the Respondent

cc: Steven Moores, Esq. Jim Eppers, Esq.

Christopher Marraro, Esq.



# U.S. Department of Justice

#### Environment and Natural Resources Division

LJG: JML

90-5-1-7-05888

Environmental Defense Section P.O. Box 23986 Washington, DC 20026-3986

Telephone (202) 514-4198 Facsimile (202) 514-8865

December 5, 2000

## VIA FEDERAL EXPRESS

Mr. Frank J. Scardelli, Esq. Senior Staff Counsel United States Court of Appeals for the Second Circuit 40 Foley Square Room 622 New York, NY 10007 (212) 857-8760 (tel)

Re: W.R. Grace v. EPA, No. 99-4223 (2nd Cir.)

Dear Mr. Scardelli:

Pursuant to your request, enclosed please find a copy of the parties' joint Rule 42(b) stipulation of dismissal in the abovenamed matter.

Please call me if you have any questions or comments. The parties greatly appreciate your ongoing courtesies and assistance in this matter.

Sincerely.

Joshua M. Levin Trial Attorney

United States Department of Justice Environment & Natural Resources Division

Environmental Defense Section (202) 514-4198

Counsel for the Respondent

cc: Steven Moores, Esq.

Jim Eppers, Esq.

Christopher Marraro, Esq.